



**BEDFORD**  
BOROUGH COUNCIL



# Statement of Accounts 2024/2025

Feb 2026  
*Finance*

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## Narrative Report

### (a) Revenue Outturn Position

The Council has faced significant demand and cost pressures over the 2024/2025 financial year that have been reported to the Executive on a regular basis. These pressures mainly relate to demand for adult social care packages and temporary accommodation and have been partially offset by underspends within Children's Services.

The Council has taken a number of actions throughout the year to manage the overspend, with spending controls put in place across the Authority including (i) reductions in agency staff, (ii) holding posts vacant, (iii) ceasing non-essential spend in discretionary budgets, (iv) reviewing grants received and replacing General Fund spend where possible, (v) capitalisation of costs where appropriate, (iv) delaying projects and a general continued scrutiny of all spend and opportunities to maximise efficiencies.

The revenue outturn for 2024/2025 for Bedford Borough Council is a net overspend of £1.564 million. The outturn reflects all expenditure incurred and income due and relevant year-end accounting entries, including transfers to and from reserves. The table below sets out the revenue outturn position for each Directorate and was reported to the Executive on 9 July 2025. This compares to a net revenue underspend in 2023/2024 of £0.174 million.

Directorate	Net Budget £ million	Net Outturn £ million	Net Variance £ million
Adults Services	64.787	68.542	3.755
Children's Services	50.153	47.835	(2.318)
Environment	40.440	45.898	5.454
Chief Executives, Finance and Corporate Services	22.872	22.069	(0.803)
Public Health	0.000	0.000	0.000
<b>Operational Budgets</b>	<b>178.252</b>	<b>184.340</b>	<b>6.089</b>
<b>Non Operational Budgets (Financing)</b>	<b>(8.014)</b>	<b>(12.538)</b>	<b>(4.524)</b>
<b>Total Revenue Outturn</b>	<b>170.238</b>	<b>171.802</b>	<b>1.564</b>
<b>% of Total Net budget</b>			<b>0.9%</b>

*NB Above numbers based on draft financial position available as at Executive Committee meeting date.*

The Operational Net Cost of the Council relates to the day-to-day spending / service areas of the Council. The outturn for Net Operational Cost is £184.340 million representing an overspend of £6.089 million; this is partially offset by an underspend of (£4.524 million) in relation to Non-Operational Budgets. It should be noted that actions to mitigate emerging overspends resulted in budgets being centralised in the non-operational budgets which has artificially increased the overspend in operational services and increased the non-operational budget underspend.

These amounts are subject to further adjustments that may arise following the completion of the financial statements closure and audit process.

The final budget for 2024/2025 was funded through Council Tax of £117.366 million, retained business rates of £45.506 million and Revenue Support Grant of £7.396 million.

### (b) General Fund

The Risk Assessment methodology has been undertaken to ensure that the recommended level of the General Fund Balance is appropriate and reflects the key issues facing the Council. There has been an initial review of Reserves as part of the 2024/2025 Outturn. As at the 31 March 2025 the General Fund stands at £9.621 million.

A risk assessment of the General Fund Balance has been undertaken as part of the most recent MTFS which was reported to the Executive in April 2025, which suggests that the reserve should be within the range of £12.8 - £15.6 million. The recommended range is higher than previously evaluated due to demand led pressures across the Authority. The General Fund as at 31 March 2025 stands at £9.621 million which is below the minimum risk assessed value. Full Council agreed at its meeting in February 2025 to put in place a plan to replenish the General Fund Balance to within the recommended risk assessed range within a two-year period.

### Earmarked Reserves

A full review of all earmarked reserves will be undertaken during 2025/2026 as part of the Medium Financial Strategy (MTFS) to consider whether the current balance is sufficient to manage the financial risks going forward.

### (c) Capital Outturn

The Capital Outturn position in relation to the 2024/2025 Capital Programme is set out in the table below and shows a net underspend of £21.787 million. This is due to the slippage of some schemes into 2025/2026.

Directorate	Budget £ million	Outturn £ million	Variance £ million
<b>Gross Expenditure</b>			
Corporate Services	14.639	10.610	(4.029)
Transformation	2.438	1.823	(0.615)
Children's Services	51.455	44.433	(7.022)
Environment	72.758	41.412	(31.346)
New Strategies	4.150	0.153	(3.997)
<b>Total Gross Expenditure</b>	<b>145.440</b>	<b>98.432</b>	<b>(47.008)</b>
<b>Net Expenditure</b>			
Corporate Services	10.874	4.490	(6.384)
Transformation	2.438	1.823	(0.615)
Children's Services	(16.274)	(14.483)	1.791
Environment	33.317	20.742	(12.575)
New Strategies	4.150	0.145	(4.005)
<b>Total Net Expenditure</b>	<b>34.505</b>	<b>(12.718)</b>	<b>(21.787)</b>

Scheme budgets are subject to challenge during the year. Directorates and Portfolio Holders meet to assess the progress of schemes and the need for funding to ensure that critical schemes are correctly profiled. The outcome of these reviews is reported to the Executive as an integral part of the capital programme review process.

Capital is funded from a number of sources, including capital grants, contributions from external parties and revenue budgets, capital receipts and borrowing.

The breakdown of the Council's movement in Capital Financing Requirement is shown in **Note 35 Capital Expenditure and Capital Financing**, which shows expenditure on a gross expenditure basis.

### (d) International Financial Reporting Standards (IFRS)

The Council is required to report its Statement of Accounts using International Financial Reporting Standards (IFRS) that follow a prescribed layout which is different from that reported during the year, and discussed in Section (b) shown above. **The Expenditure and Funding Analysis** sets out these differences.

Due to various statutory instruments the Council is required to charge amounts to council tax payers (via the General Fund), and exclude others. For example, the **Comprehensive Income and**

**Expenditure Statement (CIES)** follows a prescribed format on where and how spend should be reported. This statement also includes a number of technical accounting entries (such as depreciation, pension fund adjustments, that are subsequently reversed out in the **Movement in Reserves Statement**.

## (e) Highlight Commentary on Core Statements and Notes to the Accounts

### Expenditure and Funding Analysis

*The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.*

The statement shows the net deficit on Provision of Services of £26.703 million, reducing the Total General Fund Balance to £28.282 million (from opening £38.585 million). This differs from the net expenditure shown in the CIES of £16.402 million. This difference comprises a number of technical accounting adjustments which the Council is required to make, including capital charges such as depreciation, actuarial pension adjustments and adjustments to the Collection Fund. A reconciliation of these adjustments is shown in **Note 9**.

### Movement in Reserves Statement (MIRS)

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

During the year Usable Reserves, which are cash backed and readily available to support services, decreased by £0.552 million across Revenue, Capital and Schools. The total General Fund Balance fell by £1.564 million and Capital Grants Unapplied increased by £9.749 million.

In addition to this, Unusable Reserves fell by £7.983 million during the financial year. Movements in Unusable Reserves have no immediate impact on the current resources available to the Council, but can illustrate potential long term underlying financial resourcing position.

### Comprehensive Income and Expenditure Statement (CIES)

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

The net cost of services has increased by £14.614 million to a total of £212.136 million (£197.522 million in 2023/2024). The service level expenditure and income between years has increased by £35.670 million and £21.054 million respectively.

Financing and Investment net expenditure increased from (£8.803) million in 2023/2024 to (£4.012) million for 2024/2025. This is mainly due to a fall in upward revaluations on Investment Property and Pooled Funds, and increased interest payable on external borrowing.

Other Comprehensive Income has decreased by £11.934 million largely due to a £17.710 million decrease in the re-measurement of the Pension Fund's net Defined benefits. This is offset with a larger gain on revaluation of the property, plant and equipment assets between years, £5.776 million (£22.797 million 2024/2025 compared to £17.021 million in 2023/2024).

## Balance Sheet

*The Balance Sheet summarises an authority's financial position at 31 March each year. In its top half it contains the assets and liabilities that it holds or has accrued with other parties. As local authorities do not have equity, the bottom half is comprised of reserves that show the disposition of an authority's net worth, falling into two categories (Usable & Unusable Reserves).*

The Balance Sheet reconciles the movement in Total Reserves (decrease of £8.535 million) resulting in a closing position as at 31 March 2025 of £626.566 million. This movement creates a corresponding decrease in the Net Assets held by the Council at 31 March 2025.

Property, Plant and Equipment decreased by (£5.131) million largely as a result of downward revaluations in the Council's operational property and land estate, and derecognition and depreciation that more than offset new additions in the year.

Long Term Investments (the Council's strategic treasury investments) increased in value by £0.890 million following a volatile year for equities and bond investors. The increase is off set on the balance sheet however by the £2m closure of one of our multi asset funds during 2024/2025. Cash & Cash Equivalents increased by £7.970 million as a result of timing differences between income and expenditure within the capital programme.

There has been a £4.887 million reduction in Other Long Term Liabilities. Of this £4.572 million was a reduction to the net pension liability (£71.731 million 2023/2024 compared with £67.159 million in 2024/2025).

## Cash Flow Statement

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

This statement restates the Comprehensive Income & Expenditure Statement for cash items only, stripping out accruals and other items such as depreciation and pension fund charges. The 2024/2025 cash flow statement reiterates the £7.969 million in year increase in the balance of cash and cash equivalents shown in the Balance Sheet. The movement is broken down into operating, investing and financing cash flows within **Notes 24, 25 and 26**.

The detailed notes highlight net cash outflows in respect of operating, financing and investing activities and as a result cash and cash equivalents levels fell.

## Collection Fund Statement

*The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.*

This statement represents the transactions of the Collection Fund, which is a statutory fund under the provisions of the Local Government Finance Acts 1988, 1992 and 2012. The fund covers all

Council Tax and National Non-Domestic Rates collection in the Borough. The fund is accounted for as an agency arrangement with the Council Tax balances belonging to the billing authority and the major preceptors. The Non-Domestic Rates balances belong to the billing authority, Government and Fire Authority.

There was a deficit of £0.407 million during the year for Council Tax which included the payment of the brought forward surplus of £2.215 million to the major preceptors. After taking this payment into account there was a surplus of £1.808 million to be allocated out to the precepting authorities in 2025/2026.

After allowing for a prudent provision for appeals and uncollectable debts, National Non-Domestic Rates (NNDR) collection recorded a deficit of £3.434 million for the year. The deficit in addition to the surplus of £2.769 million brought forward from 2023/2024, resulting in a deficit of £0.665 million carried forward. Bedford Borough Council's share of the surplus is £0.326 million.

### **Bedfordshire Pension Fund Statement**

*Bedford Borough Council is the Administering Authority for Bedfordshire Pension Fund. Therefore, Bedfordshire Pension Fund's Statement of Accounts, including supporting disclosure notes, are required to be incorporated into the Bedford Borough Council's Statement of Accounts.*

The Fund looks after the current and future pension entitlements on behalf of over 200 employers including the three Unitary Councils (Bedford Borough Council, Central Bedfordshire Council and Luton Borough Council), and a number of other universities, colleges, academies and service providers.

The accounts show the Net Asset Statement and the Fund Account (equivalent to the Income and Expenditure Account) of the Pension Fund. The Accounts do not include the Fund's long term liabilities. The Pension Fund's assets on 31 March 2025 stood at £3.655 billion (£3.469 billion 31 March 2024) an increase of £0.186 million (5.3%) on the previous year, as explained in the Fund Account.

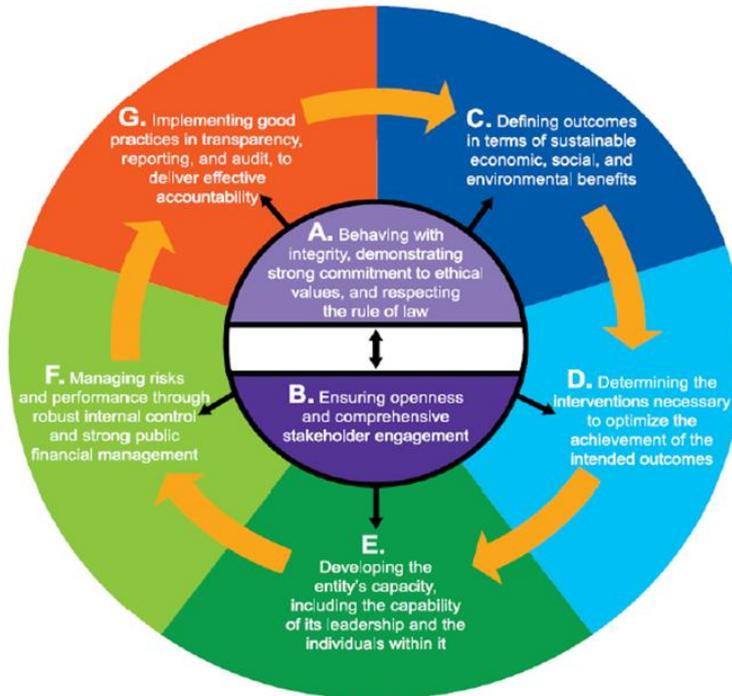
### **Annual Governance Statement**

*A statement of the governance responsibilities and controls in place within the Council.*

The Annual Governance Statement is a statutory document, which explains the processes and procedures in place to enable the Council to carry out its functions effectively. Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015 requires all relevant bodies to prepare an Annual Governance Statement (AGS).

The AGS reports publicly on the effectiveness of governance and internal control arrangements and how the Council has complied with its Local Code of Corporate Governance, including how it monitors effectiveness. The Governance Framework has been in place at Bedford Borough Council for the year ended 31 March 2025 and up to the date of approval of the annual statement of accounts.

The Council has approved and adopted its Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016. The Council's Local Code of Governance sets out the principles of good governance and describes the arrangements the Council has put in place to meet each of these principles:



The governance framework comprises the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves.

The Annual Governance Statement assesses the governance arrangements in place and makes recommendations to improve controls and processes where weaknesses are identified. For 2024/2025, recommendations were made in relation to Financial Resilience, Constitution Review, Capital Programme, Procurement & Contract Management Information Governance.

## Non-Financial Performance

### Introduction

All services use data, performance measures, analysis and business intelligence to support the provision and development of services, this includes customer feedback and perception provided through the Council's consultation, complaints and community engagement processes.

### Corporate Plan

Full Council approved the Corporate Plan in November 2024.

The Corporate Plan has four high-level priorities with supporting actions:

- Supporting Individuals and Families
- Protecting the Environment
- Stimulating Economic Growth in Bedford Borough
- Promoting Health and Wellbeing

In addition, the Plan sets out “Ways of Working” summarising the principles by which the Council will work, its key approaches to delivering its goals, and key considerations in shaping and delivering the Plan.

The full version of the Plan can be found on the Council's website [here](#).

The Plan's delivery is monitored through the Performance Management process. The first report on the Council's performance against the Plan's priorities was considered by Executive in July 2025.

The framework for monitoring the Plan can be seen [here](#).

### ***Performance Management Arrangements***

The Corporate Plan 2024/2025 to 2027/2028 provides a broad range of key performance indicators (with benchmarking as far as possible). Effective performance monitoring through this report and other mechanisms i.e. focused dashboards will be used to monitor progress and to undertake intervention, as necessary. The focus will be on outcomes, outputs and forecasting to drive quality services, achieve upper quartile performance and deliver continuous improvement. For year-end 2024-25, 85.7% of indicators were either green or amber meaning they either exceeded, met or were in-line with the target; this is deemed as strong upper-quartile performance which is one of the key aspirations within Bedford Borough Council's approved Stability Plan 2025-2030.

The key performance indicators were considered by the Executive in July 2025 and can be found on the Council's website [here](#).

## Statement of Responsibilities for the Statement of Accounts

### The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. At Bedford Borough Council that officer is the Executive Director of Resources (Chief Finance Officer - CFO).
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

### The Executive Director of Resources Responsibilities

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

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

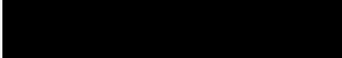
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The Executive Director of Resources has also:

- ensured proper accounting records were kept which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certification

This statement of accounts presents a true and fair view of the financial position of Bedford Borough Council at 31 March 2025 and income and expenditure for the year ended 31 March 2025.

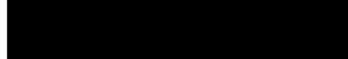
Signed: 

Date: 27 Feb 2026

**Julie McCabe, Executive Director of Resources (EdoR - CFO)**

### Approval

I confirm that the Statement of Accounts was approved by the Audit Committee at its meeting on 11 Feb 2026.

Signed: 

Date: 27 Feb 2026

**Chair of Audit Committee**

## Expenditure and Funding Analysis

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

Net Expenditure Chargeable to the General Fund Balance	2023/24		Net Expenditure in the Comprehensive Income and Expenditure Statement	2024/25		Net Expenditure in the Comprehensive Income and Expenditure Statement
	Adjustments			Adjustments		
£000	£000	£000	£000	£000	£000	£000
63,378	(1,544)	61,834	Adults Services	69,445	(1,274)	68,171
50,159	(648)	49,510	Childrens Services	51,136	(2,816)	48,320
5,028	(335)	4,693	Chief Executives	4,030	(309)	3,721
7,994	30,043	38,037	Corporate Services	4,029	35,867	39,886
29,744	6,419	36,163	Environment	33,380	9,843	43,223
4,360	(538)	3,822	Finance	4,671	(550)	4,120
10,575	(8,892)	1,684	Financing	9,388	(5,871)	3,517
411	(184)	227	Public Health	171	(238)	(67)
2,237	(685)	1,552	Transformation	1,035	201	1,235
<b>173,885</b>	<b>23,636</b>	<b>197,522</b>	<b>Net Cost of Services</b>	<b>177,285</b>	<b>34,852</b>	<b>212,136</b>
(155,561)	(58,969)	(214,530)	Other (Income) and Expenditure	(166,984)	(18,449)	(185,433)
<b>18,324</b>	<b>(35,333)</b>	<b>(17,008)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>10,300</b>	<b>16,403</b>	<b>26,703</b>
(56,912)			Opening Combined General Fund Balance	(38,587)		
18,324			Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)	10,300		
<b>(38,587)</b>			<b>Closing Combined General Fund Balance</b>	<b>(28,288)</b>		

The Expenditure and Funding Analysis is not a primary statement but a note to the financial statements, however, it is positioned here as it provides a link from the figures reported in the Strategic Report to the CIES.

## Comprehensive Income and Expenditure Statement

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

2023/24			2024/25		
Expenditure	Income	Net	Expenditure	Income	Net
£000	£000	£000	£000	£000	£000
106,130	(44,297)	61,834	113,899	(45,729)	68,171
199,173	(149,663)	49,510	211,619	(163,299)	48,320
5,188	(495)	4,693	5,109	(1,388)	3,721
96,431	(58,395)	38,037	101,917	(62,021)	39,896
61,898	(25,735)	36,163	68,598	(25,375)	43,223
6,590	(2,768)	3,822	7,492	(3,371)	4,120
3,689	(2,005)	1,684	5,760	(2,243)	3,517
9,529	(9,302)	227	10,220	(10,287)	(67)
1,552	0	1,552	1,235	0	1,235
<b>490,180</b>	<b>(292,659)</b>	<b>197,522</b>	<b>525,850</b>	<b>(313,714)</b>	<b>212,136</b>
10,546	0	10,546	75,242	0	75,242
32,586	(41,389)	(8,803)	37,122	(41,135)	(4,012)
	(216,272)	(216,272)	0	(256,663)	(256,663)
<b>533,312</b>	<b>(550,320)</b>	<b>(17,008)</b>	<b>638,214</b>	<b>(611,511)</b>	<b>26,703</b>
		(17,021)			(22,797)
		(13,080)			4,630
		<b>(30,101)</b>			<b>(18,167)</b>
		<b>(47,109)</b>			<b>8,536</b>

## Movement in Reserves Statement

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

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Un-applied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
<b>Balance at 31 March 2024</b>	(11,183)	(27,403)	(38,585)	0	(13,540)	(52,126)	(582,974)	(635,102)
<b>Movement in reserves during 2024/25</b>								
(Surplus) or deficit on the provision of services	26,703	0	26,703			26,703		26,703
Other Comprehensive Income / Expenditure							(18,167)	(18,167)
<b>Total Comprehensive Income and Expenditure</b>	<b>26,703</b>	<b>0</b>	<b>26,703</b>			<b>26,703</b>	<b>(18,167)</b>	<b>8,536</b>
Adjustments between accounting basis and funding basis under regulations	(16,402)		(16,402)		(9,749)	(26,151)	26,151	0
<b>Net (Increase) or Decrease before Transfers to Earmarked Reserves</b>	<b>10,301</b>		<b>10,301</b>		<b>(9,749)</b>	<b>552</b>	<b>7,983</b>	<b>8,536</b>
Transfers to / from Earmarked Reserves	(8,739)	8,739	0					
<b>(Increase) or Decrease in 2024/25</b>	<b>1,564</b>	<b>8,739</b>	<b>10,301</b>		<b>(9,749)</b>	<b>552</b>	<b>7,983</b>	<b>8,536</b>
<b>Balance at 31 March 2025</b>	<b>(9,620)</b>	<b>(18,664)</b>	<b>(28,282)</b>		<b>(23,289)</b>	<b>(51,572)</b>	<b>(574,992)</b>	<b>(626,565)</b>
			Note 10		Note 22		Note 23	

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Un- applied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
<b>Balance at 31 March 2023</b>	<b>(10,076)</b>	<b>(46,835)</b>	<b>(56,909)</b>	<b>0</b>	<b>(20,635)</b>	<b>(77,545)</b>	<b>(510,446)</b>	<b>(587,992)</b>
<b>Movement in reserves during 2023/24</b>								
(Surplus) or deficit on the provision of services	(17,008)	0	(17,008)			(17,008)		(17,008)
Other Comprehensive Income / Expenditure							(30,101)	(30,101)
<b>Total Comprehensive Income and Expenditure</b>	<b>(17,008)</b>	<b>0</b>	<b>(17,008)</b>	<b>0</b>	<b>0</b>	<b>(17,008)</b>	<b>(30,101)</b>	<b>(47,109)</b>
Adjustments between accounting basis and funding basis under regulations	35,333		35,333		7,096	42,429	(42,429)	0
<b>Net (Increase) or Decrease before Transfers to Earmarked Reserves</b>	<b>18,324</b>	<b>0</b>	<b>18,324</b>	<b>0</b>	<b>7,096</b>	<b>25,420</b>	<b>(72,529)</b>	<b>(47,109)</b>
Transfers to / from Earmarked Reserves	(19,432)	19,432	0			0		0
<b>(Increase) or Decrease in 2023/24</b>	<b>(1,108)</b>	<b>19,432</b>	<b>18,324</b>	<b>0</b>	<b>7,096</b>	<b>25,420</b>	<b>(72,529)</b>	<b>(47,109)</b>
<b>Balance at 31 March 2024</b>	<b>(11,183)</b>	<b>(27,403)</b>	<b>(38,585)</b>	<b>0</b>	<b>(13,540)</b>	<b>(52,126)</b>	<b>(582,974)</b>	<b>(635,102)</b>
			Note 10		Note 22		Note 23	

## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are 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 (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves Statements that hold unrealised gains and losses (for example the Revaluation Reserve), 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.

31 March 2024		Note Ref	31 March 2025
£000			
728,024	Property, Plant and Equipment	14	722,893
6,554	Heritage Assets	43	6,554
85,532	Investment Property	15	86,344
6,195	Intangible Assets	16	5,680
33,453	Long-Term Investments	17	32,343
7,181	Long-Term Debtors	17A	1,537
<b>866,939</b>	<b>Long Term Assets</b>		<b>855,351</b>
0	Short Term Investments	17A	0
0	Current Assets Held for Sale Investment Property	15	200
52,440	Short-Term Debtors	18	79,360
2,427	Cash and Cash Equivalents	19	10,397
<b>54,867</b>	<b>Current Assets</b>		<b>89,957</b>
(35,075)	Short-Term Borrowing	17A	(83,724)
(75,635)	Short-Term Creditors	20A	(69,663)
(5,871)	Provisions	21	(4,378)
<b>(116,581)</b>	<b>Current Liabilities</b>		<b>(157,765)</b>
(2,415)	Provisions	21	(4,295)
(53,202)	Long-Term Borrowing	17	(46,229)
(83,018)	Other Long-Term Liabilities	20B	(78,131)
(31,489)	Grants Receipts in Advance - Capital	33	(32,322)
<b>(170,124)</b>	<b>Long Term Liabilities</b>		<b>(160,977)</b>
<b>635,102</b>	<b>Net Assets</b>		<b>626,566</b>
(52,126)	Usable Reserves	10 & 22	(51,574)
(582,975)	Unusable Reserves	23	(574,992)
<b>(635,101)</b>	<b>Total Reserves</b>		<b>(626,566)</b>

I certify that the Balance Sheet represents a true and fair view of the Authority's financial position as at 31 March 2025.

Signed:



Date: 27 Feb 2026

Julie McCabe, Executive Director of Resources

## Cash Flow Statement

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

2023/24		2024/25
£000		
(17,008)	Net (surplus) or deficit on the provision of services	26,703
12,142	Adjustment to surplus or deficit on the provision of services for noncash movements	(63,019)
41,135	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	65,978
<b>36,269</b>	<b>Net cash flows from operating activities</b>	<b>29,661</b>
15,371	Net cash flows from investing activities	(157)
(25,495)	Net cash flows from financing activities	(37,473)
<b>26,146</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(7,969)</b>
28,574	Cash and cash equivalents at the beginning of the reporting period	2,428
<b>2,428</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>10,397</b>

The cash flow movements above are broken down into detail disclosure notes identifying operating, investing and financing activities within **Notes 24, 25 and 26**

## Note 1 - Accounting Policies

### A GENERAL

The Statement of Accounts summarises the authority's transactions for the 2024/2025 financial year and its position at the year-end of 31 March 2025. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

### B ACCOUNTING CONCEPTS

In general, the accounts are prepared on the basis of historical cost modified by the revaluation of land, buildings, vehicles and plant subject to and in accordance with the fundamental accounting concepts set out below:

#### Relevance

The accounts are prepared to provide readers with information about the Council's financial performance and position that is useful for assessing the stewardship of public funds.

#### Reliability

The accounts are prepared on the basis that the financial information contained in them is reliable, i.e. they are free from material error, systematic bias, complete within the bounds of materiality and represent faithfully what they intend to represent. Where there is uncertainty in measuring or recognising the existence of assets, liabilities, income and expenditure then caution and prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

#### Comparability

The accounts are prepared to enable comparison between financial periods as far as possible. To aid comparability the Council has applied its accounting policies consistently both during the year and between years.

#### Understandability

Every effort has been made to make the accounts as easy to understand as possible. Nevertheless, an assumption has been made that the reader will have a reasonable knowledge of accounting and local government. Where the use of technical terms has been unavoidable an explanation has been provided in the glossary of terms.

#### Materiality

Certain information may be excluded from the accounts on the basis that the amounts involved are not material either to the fair presentation of the financial position and transactions of the Council or to the understanding of the accounts.

## Accruals

With the exception of the Cash Flow Statement, the accounts are prepared on an accrual's basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the accounts for the year in which those effects are experienced and not in the year in which the cash is actually received or paid.

## Going Concern

The CIPFA Code of Practice on Local Authority Accounting confirms that the local authority accounts must be prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for 12 months from the date that the accounts are authorised for issue. Furthermore, the Code requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. For these reasons, the Council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for 12 months from the date of the approval of the accounts and therefore the accounts have been prepared on an ongoing basis.

In forming the conclusion that it is appropriate for the accounts to be prepared on a going concern for the period to 31 March 2025, the Council has carried out, and continues to undertake, detailed assessment of its financial position and performance during 2025/2026 and beyond. This includes consideration of:

- Loss of income due to temporary closures, reductions in demand, and the increased collection losses, being given consideration on a service and department basis.
- Additional expenditure incurred on a service by service basis, e.g. provision of new and expanded services in response to the crisis (such as additional costs relating to temporary accommodation for the homeless), and additional costs associated with changes to working practices (such as remote working).
- Incorporating all changes to government policy, e.g. changes to business rate reliefs, guidance on supplier relief, additional funding for local authorities, and additional responsibilities which then sit alongside this.
- The impact on the Council's capital programme, e.g. whether there is a need to rephase work, including where delays are as a result of government restrictions.
- The impact of all of the above on the Council's cash flow and treasury management, including availability of liquid cash, impact on investment returns, and availability of external borrowing if required.
- The estimated overall impact on the Council's General Fund Reserves.

The Medium-Term Financial Strategy (MTFS), the Council's key financial planning document sets out the strategic approach to the management of its finances and Council Tax levels over the medium term, thereby allowing sufficient lead time to develop services consistent with the forecast resource envelope. As part of the MTFS process the Council considers three scenarios – a central case along with an optimistic and pessimistic scenario that may impact upon its medium-term forecast position; the report sets out the following risks that inform these scenarios, these being the outcome of changes to local government funding, economic impacts of changes to National Insurance Contributions, demand led pressures, climate change and pressures on Dedicated Schools Grant(DSG)

The General Fund balance is considered as part of the MTFs as it relates to financial resilience and is therefore consistent with the purpose of the MTFs, i.e. there is a relationship with regard the risks faced by the Council and the level of balances needed to cover such risks.

The Council undertakes cash flow forecasting and assesses the adequacy of liquidity regularly. The current projection through to 31 March 2026 shows a negative cash position throughout the Going Concern period.

Projections in the Treasury Management Strategy Statement, approved by Full Council in 2025, indicate a need for short-term in-year borrowing from 2025/2026 through to 2030/2031 in order to sustain current long-term investments and sufficient liquidity for operational activity. Short Term borrowing may be sourced from other local authorities or from the PWLB. On 30 June 2025 there was £83.459 million headroom between actual borrowing of £92.741 million and the Capital Financing Requirement (CFR) forecast for 31 March 2025 of £176.2 million. In addition to this the Council's Operational Boundary and Authorised Borrowing Limit is £170 million and £160 million respectively which gives sufficient headroom for further borrowing should it be required. Long term investments are kept under review to ensure that they continue to provide a positive return in light of the borrowing position.

By way of further context, the General Fund Balance as of 31 March 2025 stood at £9.621 million, below the risk assessed minimum level. As reported to Full Council in March 2025 the MTFs includes a planned increase to the General Fund of £7.1 million by 2028/29 to bring it back within the risk assessed range. The Council also holds earmarked reserve balances of £13.8 million (excluding Schools, Public Health, and other ring-fenced reserves), which could be called upon if necessary. The General Fund balance is projected to be £10.6 million on 31 March 2026, and earmarked reserve balances that could be called upon are forecast to be £11.4 million. These forecasts assume the revenue budget is balanced during 2025/2026. Any resulting overspend will therefore have a detrimental impact on the level of reserves and cash flow.

As with many other Councils, the Council faces significant challenges to deliver a balanced position in 2025/2026 especially in relation to demand led services such as Adult Social Care, Children's Social Care and Temporary Accommodation and this was recognised in the Section 25 report of the Chief Finance Officer considered by Full Council in February 2025. Within this report three actions were approved:

- Carry out a Resilience Review during 2025/2026 in light of the diminishing level of revenue reserves;
- Put in place plans to replenish the General Fund Balance to within the recommended risk assessed range within a two-year period taking into consideration the potential for further use of reserves in 2024/2025;
- Develop a Transformation Plan to manage the expected reduction in Government Funding from 2026/2027

Following these recommendations CIPFA have been commissioned to conduct a resilience review of the Council and a Sustainability Plan has been considered by the Executive, with work ongoing to implement the Sustainability Plan. Recommendations arising from the Resilience Review will be considered on completion of the review. In addition to this spend across the Council is subject to tight spending controls..

Therefore, due to the actions detailed above it is considered that the Council will remain a going concern

## C 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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made. No accrual will be made for flexi leave, maternity leave or sickness, if the amounts are deemed immaterial.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## D ACQUIRED AND DISCONTINUED OPERATIONS

Income and expenditure directly related to acquired and discontinued operations, when material, are shown separately on the face of the Comprehensive Income and Expenditure Statements (CIES).

## E AGENCY AND PRINCIPAL

In presenting income and expenditure, the Council takes a view as to whether the income and expenditure it incurs is on an Agency basis or a Principal basis.

Agency basis is where the Council incurs income and expenditure on behalf of a third party, usually due to statutory rules and regulations. An example is the collection of Council Tax on behalf of the Police & Crime Commissioner for Bedfordshire and the Bedfordshire Fire & Rescue Authority.

Principal basis is where the Council incurs income and expenditure on behalf of a third party, but under contract and where risks and rewards are taken. An example is the provision of social care on behalf of other authorities under a Service Level Agreement.

## F 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 investments that mature in 28 days or less from the Balance Sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

## **G PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

### **Provisions**

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

Existing provisions are reviewed annually alongside consideration for new provisions. They reflect the best estimate when the accounts are prepared. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

Provisions are classified on the Balance Sheet as short term (due to be settled within 12 months of the financial year end) or long term (due to be settled over 12 months of the financial year end). For long term provisions where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount due to the passage of time is recognised as interest within Surplus or Deficit on the Provision of services.

### **Contingent Assets**

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

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

### **Contingent Liabilities**

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

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

## H EVENTS AFTER THE BALANCE SHEET DATE

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

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

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

## I EXCEPTIONAL ITEMS

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

## J FAIR VALUE MEASUREMENT

The authority measures some of its non-financial assets such as surplus assets and investment properties and majority of its financial instruments at fair value at each reporting date. 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 asset 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 or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

## K FINANCIAL INSTRUMENTS

### Financial Liabilities

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

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

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

### Financial Assets

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

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI). The Council has no Financial Assets in the category.

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

### Financial Assets Measured at Amortised Cost

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

When soft loans are made (loans at less than market rates), a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher

effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where the value of soft loans is considered immaterial, this guidance is not followed, and the amounts recorded in the balance sheet reflect the cash amounts.

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

### **Expected Credit Loss Model**

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

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.

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. Statutory provisions (ending 31 March 2029) require fair value movements in existing pooled investment funds to be taken to a separate unusable reserve instead of the General Fund. This is managed by a transfer to or from the usable reserve in the Movement in Reserves Statement.

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

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

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **L FINANCIAL GUARANTEES**

The Council may give financial guarantees requiring payments to be made to reimburse the holder of a debt if a debtor fails to make a payment when due in accordance with the terms of a contract.

Where these guarantees are given, they are to be included in the accounts at fair value. Where guarantees are given to unrelated parties, the fair value is the premium received unless that sum does not represent a reliable estimate of the fair value. Where no premium is received the fair value of the guarantee is estimated by assessing the likelihood of the guarantee being called against the likely amount payable.

At 31 March 2025 the Council had given no financial guarantees but may do so in the future.

## **M GRANTS AND CONTRIBUTIONS**

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

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

Amounts recognised as due to the Council are not credited to the CIES until all terms and conditions attached to the grant or contributions have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors for revenue grants and contributions or capital grants receipts in advance for capital grants and contributions. 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 CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where the grant has been used to finance capital expenditure, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure in the Movement in Reserves Statement.

### **Community Infrastructure Levy**

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

## **N INTANGIBLE ASSETS**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) are capitalised (above a de minimis limit of £4,000 for schools and £10,000 for non-schools) when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Intangible Assets are

amortised to the relevant service line(s) in the CIES over the economic life of the asset (between 5 and 10 years).

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

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

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

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

When Intangible assets are amortised to zero, it will be assumed there is no existing operational use for the asset, unless there is evidence to the contrary. The Gross Book Value and Accumulated Amortisation will be treated as a disposal and removed from the Fixed Asset Register.

## O INTERESTS IN COMPANIES AND OTHER ENTITIES

The Council has an interest in a wholly owned private housing development company called Benedict Bedford Limited (BBL). The Council's main objective for creating the company is to generate a financial return to the Council by operating a commercial enterprise to develop underutilised and surplus land assets to generate value. There was no activity undertaken by BBL during the year and it did not have any assets or liabilities on 31 March 2025. Therefore, Group Accounts are not required.

### Trust Funds

The main funds for which the Council acts as sole trustee are listed in **Note 44**. Group Accounts have not been prepared as these interests are not considered material.

## P INVENTORIES AND LONG TERM CONTRACTS

Inventories are to be included in the Balance Sheet at the lower of cost and net realisable value where they are material. The Council does not hold any material values of inventories, instead values are expensed to the Surplus or Deficit on the Provision of Services.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

## Q HERITAGE ASSETS

Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.

Heritage assets are measured at valuation in the balance sheet where practical and material but are otherwise disclosed by means of narrative. There is no depreciation charged on the heritage assets because it has been estimated that the assets have a useful life of such length that any depreciation charge on the asset will be negligible and can be ignored on the basis of materiality.

Civic Regalia and Art Museum artefacts have been valued on the basis of the last insurance valuation.

Statues and Memorials, Heritage Properties (e.g. Bromham Mills, Stevington Windmill) and the Crystal Archive Collection have been valued on the basis of Historic Cost (when previously held as Community Assets).

The Council has not recognised any other Archived assets as it is of the view that obtaining valuations for the vast majority of these collections would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Council's financial statements – this exemption is permitted by the Code.

## R INVESTMENT PROPERTY

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

Investment properties held for sale are those where there is a high likelihood of sale within the next year.

### Recognition

Expenditure on the acquisition, creation or enhancement of Investment Property 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 or fair value 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.

Where part of an investment property is replaced (above a de minimis level of £100,000), the cost of the replacement is recognised in the carrying value of the investment property and the carrying amount of those parts that are replaced is derecognised.

### Measurement

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arms-length (i.e. market value). Where an Investment Property is held under a operating lease (i.e. the Council is the lessee), the measurement is equal to the future lease payments over the term discounted at the lessee's incremental rate of borrowing. Properties are not depreciated but are revalued annually according to market conditions on 1 January. Where there has been material capital expenditure in excess of £100,000 on an asset a further revaluation is undertaken at the year end (31 March). Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Investment Properties are not permitted to be reclassified as Assets Held for Sale.

An investment property under construction is measured at fair value if the Council is able to measure reliably the fair value of the investment property; otherwise, these assets are measured at cost.

### **Rental Income and Disposals**

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **S JOINTLY CONTROLLED OPERATIONS AND JOINTLY CONTROLLED ASSETS**

Jointly controlled operations are activities undertaken by the Council in conjunction with other organisations that involve the use of the assets and resources of the organisations rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with a share of the expenditure it incurs and income it earns from the activity of the operation. The Council accounts for a number of jointly controlled operations which have been entered into with local authorities in the region.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other organisations, with the assets being used to obtain benefits for the organisations. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

## **T LEASES**

### **The Council as Lessee**

The Council will at the inception of an arrangement determine whether it contains a lease. A specific asset will be deemed a lease if fulfilment of the arrangement is dependent on the use of that asset. If the arrangement allows the Council to control the use of the asset then it will be determined the Council has right of use over it and account for it under lease arrangements.

Liabilities arising from a lease are measured initially on a present value basis comprising the following lease payments:

- Fixed payments less and lease incentives receivable
- Variable lease payments based on an index or rate, measured at the commencement date
- Value payable under residual value guarantees
- Price of a purchase option if the council is reasonably certain to exercise the option
- Termination penalties if reflected in the lease term
- Lease payments made under reasonably certain extensions options

Lease payments will be discounted using the Council's borrowing rate if the council was to purchase the asset as at 31 March of each accounting year.

If the Council is exposed to future variable lease payments based on an index or rate changes then the Council will remeasure the lease accordingly.

Lease payments consist of the repayment of principal and a finance cost. The finance cost will be charged to the Comprehensive Income and Expenditure Statement (CIES) over the lease period.

Right of use assets are measured at cost as below:

- The value of initial lease liability measurement
- Any lease payments made on or before commencement date, less incentives received
- Initial direct costs
- Cost of restoration

Right of use assets will be depreciated on a straight-line basis over the shorter of the useful life or lease term. If a purchase option is likely to be exercised, then depreciation will be charged over the useful life of the asset.

Short term leases and low value assets are recognised as a straight-line expense in the Comprehensive Income and Expenditure Statement (CIES). Short term leases are classified as a term of 12 months or less. Low value assets are less than £10,000

### Peppercorn leases

Leases with payments at a peppercorn rate which are substantially below market terms nominal consideration and nil consideration are accounted for as below:

- Lease payable element is as other lease obligations under IFRS16
- The difference between the present value of future lease payments and the fair value on initial recognition will be shown as a right of use asset on the balance sheet at fair value with the gain/loss recognised as part of the surplus or deficit on the provision of services.

### The Council as Lessor

Lease income from operating leases is recognised as income on a straight-line basis over the lease term. Rent free periods, incentives, or fixed annual increases are spread over the lease term on a straight-line basis. Inflation linked increases are treated as contingent rents and income is recognised when they occur.

Rental income based on turnover will be considered variable and will be recognised in the period it is earned. The respective leased asset will be shown on the balance sheet within investment properties.

Lease income from finance leases is recognised over the lease term at a value that gives a constant periodic rate of return on the remaining balance of the net investment in the lease. This is calculated as the total of lease payments over the term discounted at the interest rate implicit in the lease.

At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Investment Property) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CIES 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 CIES).

The gain credited to the CIES 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 in the Movement in Reserves Statement.

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

## **U OVERHEADS AND SUPPORT SERVICES**

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

## **V 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 (above a de minimis limit of £4,000 for schools and £10,000 for non-schools) on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

The de minimis level for capitalisation, referred to above, is not applicable to a project if it is part of a larger scheme of works which has a combined value exceeding the de minimis.

### **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 costs associated with borrowing will be included as a capital cost for qualifying assets.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows

of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

- Infrastructure, Community Assets and Assets Under Construction – depreciated historical cost;
- All other assets – fair 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 fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair 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 fair value.

The valuation of land and buildings is undertaken by professionally qualified valuers.

New capital projects are treated as assets under construction until they are formally handed over to the service as completed and ready for use. Capital expenditure in year is added to the carrying value of the asset until it is next revalued with the exception of material works on assets (£100,000 or over), which will be revalued at the end of the financial year.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Revaluations are completed as at 1 January in the year of valuation and are reviewed for material changes as at the reporting date 31 March. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the appropriate line(s) in the Surplus or Deficit on Provision of Services (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised) where they arise from the reversal of a revaluation loss previously charged to the Surplus or Deficit on Provision of Services, for the same asset.

Where decreases in value are identified (revaluation loss), 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 Surplus or Deficit on Provision of Services.

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.

When an asset is re-valued (revaluation gain and revaluation loss), any accumulated depreciation and impairment at the date of valuation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount of the asset.

Revaluation gains and revaluation losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement (MIRS) and posted to the Capital Adjustment Account.

## Capitalising Borrowing Costs

The interest on external borrowings relating to a qualifying asset shall be included within the capital cost of the asset when the following conditions are met:

- The interest is incurred since 1 April 2024
- The Project duration and costs are planned over three or more financial years
- Costs relate to an individual asset with an anticipated cost of at least £5 million

Where funds are borrowed specifically for the acquisition/construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation shall be the interest incurred on that borrowing.

Where borrowings are part of a general pool, a capitalisation rate (i.e. weighted average cost of capital) will be applied to the expenditure on qualifying assets to determine the amount of borrowing costs to capitalise.

## Closed Landfill Site

The Council owns one closed landfill site. The future statutory costs of maintaining this site have been set aside in a provision and capitalised. These costs have then been revalued downwards and charged to the CIES. The revaluation losses are credited in the MIRS and debited in the Capital Adjustment Account.

The provision will be held at the discounted cash value determined by a relevant PWLB borrowing rate. The unwinding of the discounted provision will create an interest charge being made to the CIES. Any expenditure incurred in the statutory obligations of the site, whether capital or revenue, will be charged to the outstanding provision.

## 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 Surplus or Deficit on Provision of Services.

In exceptional cases where an impairment loss is reversed subsequently on the same asset, the reversal is credited to the relevant service line(s) in the Surplus or Deficit on Provision of Services, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Revaluation gains and impairment losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

## 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 Community Assets) and assets that are not yet available (i.e. assets under construction).

Assets are depreciated based on the value and life at the start of the financial year (before any revaluations) on a straight-line basis using the following life periods:

Asset Type	Depreciation Range
Building	Between 0 and 100 years
Land	No Depreciation
Plant, Vehicles and Equipment	Between 5 and 15 years
Highways Infrastructure	30 years
Other Infrastructure	Between 10 and 20 years

Depreciation is recognised in the appropriate lines in the Surplus or Deficit on Provision of Services.

Depreciation is not permitted to have an impact on the General Fund Balance. The depreciation is, therefore, reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

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 in the Balance Sheet.

## Residual Value

Residual values are not used as asset values are assumed to be fully consumed over their useful life.

## Componentisation

Where an item of Property, Plant and Equipment is of significant value in relation to the overall asset portfolio and has major components whose cost is significant in relation to the total cost of the asset, the components are depreciated separately.

The Council applies a de minimis limit (£6 million) below which assets will not be componentised because the asset is not considered significant in relation to the overall value of the Council's asset portfolio. For those assets above this de minimis limit, there will be a separate de minimis to only consider those components that are significant in relation to the total cost of the asset (20% or above of the total cost). These de minimis limits will be assessed on a regular basis so ensure that the levels are appropriate and do not materially affect the depreciation calculation.

Componentisation for depreciation purposes is applicable to enhancement and acquisition expenditure incurred, and revaluations carried out.

Where part of a Property, Plant and Equipment asset is replaced (above a de minimis level of £100,000), the cost of the replacement is recognised in the carrying value of the asset and the carrying amount of those parts that are replaced is derecognised. This recognition and derecognition takes place regardless of whether the replaced part had been depreciated separately.

## 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 revalued 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 CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services on the same asset (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised). Depreciation is not charged on Assets Held for Sale. Where assets are expected to be sold within 12 months of the end of the financial year they are classified as Current Assets Held for Sale.

Revaluation gains and revaluation losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets (Property, Plant and Equipment or Investment Property) 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 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 CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES 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 and credited to the Capital Receipts Reserve (disposals of £10,000 or below are treated as revenue). Capital receipts can then only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow). 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 Council Tax, 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.

## Reclassifications to Investment Property

Where Property, Plant and Equipment meet the criteria for Investment Property, the asset is reclassified to Investment Property. The asset is revalued immediately before reclassification to Investment Property with any remaining balance on the Revaluation Reserve is 'frozen' until such time it is reclassified.

## Schools

The capital assets of certain schools in the Borough are not owned by the Council and hence it is not probable that the future economic benefits or service potential associated with the asset will flow

to the Council. Neither does the Council control the assets and hence there is no service concession or lease type arrangement. As a result, the value of the assets is not included in the Council's Balance Sheet. Those schools not included are: Academy, Voluntary Aided (VA) and Voluntary Controlled (VC) schools (though the playing fields of VA / VC schools are included). Foundation Trust and Community Schools are included in the Council's Balance Sheet.

### Highways Infrastructure Assets

These include carriageways, footways and cycle tracks, structures (eg bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards) and traffic management systems which together form a single integrated network.

They are generally measured at depreciated historical cost. However for some of the balances transferred from Bedfordshire County Council on 1 April 2009 this is a modified form of historical cost. Balances transferred consist of our 33% share of the balance with the rest being transferred to Central Bedfordshire Council. The balance transferred from Bedfordshire County Council includes an element which was originally recorded in their balance sheet at the amount of capital undischarged for sums borrowed as at 1 April 1994, this being deemed at the time to be historical cost.

## W EMPLOYEE BENEFITS

### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave 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 Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. For the accounts, flexi-time and leave accrued during maternity leave and long term sickness are excluded if deemed immaterial.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out to the Accumulated Absences Account through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. The cost is charged on an accrual's basis to the Non Distributed Costs line in the CIES when the Council is demonstrably committed to the termination of the employment of an officer or group of officers.

### Post-Employment Benefits (Pension Costs)

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

- The Teachers' Pension Scheme, administered nationally by the Teachers' Pensions Agency
- The NHS Pension Scheme, administered nationally by the NHS Pensions
- The Local Government Pensions Scheme, administered by Bedford Borough Council.

All three schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council. However, the arrangements for the Teachers' and NHS

pension schemes mean that liabilities for these benefits cannot be identified to the Council. These schemes are, therefore, accounted for as if they were defined contributions schemes – no liability for future payments of benefits is recognised in the Balance Sheet and the Children’s and Education Services and Public Health lines in the CIES are charged with the employer’s contributions payable to their respective pension funds in the year.

The Local Government Scheme is accounted for as a defined benefits scheme as follows:

The liabilities of the Bedfordshire Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of estimated earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.8% (based on the indicative rate of return on high quality corporate bonds).

The assets of the Bedfordshire pension fund attributable to the Council are included in the Balance Sheet at their market value:

- quoted securities – market bid price
- unquoted securities – professional valuations
- unitised securities – current bid price quoted by fund manager
- property – current bid price quoted by fund manager

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

- (1) current service cost – the increase in liabilities as result of years of service earned this year – allocated in the CIES to the revenue accounts of services for which the employees worked
- (2) past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs
- (3) net interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the CIES
- (4) expected return on plan assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return, net of administration costs related to the management of plan assets – credited to the Financing and Investment Income and Expenditure line in the CIES
- (5) gains/losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited to the Surplus or Deficit on Provision of Services in the CIES as part of Non Distributed Costs
- (6) actuarial gains and losses – changes in the Net Pensions Liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pension Reserve
- (7) contributions paid to the Bedfordshire Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

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

## **X PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS**

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

## **Y CHARGES TO REVENUE FOR NON-CURRENT ASSETS**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (MRP). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

## **Z COUNCIL TAX AND NON-DOMESTIC RATES**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

## Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

### AA RESERVES

The Council maintains earmarked reserves to fund future expenditure on specific policy priorities as well as to provide funds to meet various contingency requirements the Council may have to face. The Executive has undertaken a review to ensure they are still required for the purpose set out and that the balance is still appropriate.

Amounts set aside for purposes falling outside of the definition of provisions or contingent liabilities are treated as reserves and transfers to and from them are distinguished from service expenditure.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year and therefore included in the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant accounting policies.

### BB REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets (e.g. grants to third parties for capital purposes) has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of council tax.

### CC VALUE ADDED TAX (VAT)

VAT payable is included as an expense in the CIES whether of a capital or revenue nature only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is not included as income in the CIES.

### DD FINANCIAL ASSETS – EXPECTED CREDIT LOSSES (ECL)

Financial assets may need to be written down for impairment losses, where there is a possibility 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), note 18 Debtors.

## Note 2 - Accounting Standards Issued, Not Adopted

Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The standards that may be relevant for additional disclosures that will be required in the 2024/2025 financial statements in respect of accounting changes that are introduced in the 2025/2026 Code (i.e. that are relevant to the requirements of paragraph 3.3.4.3) are:

- a) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- b) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- d) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.
- e) The effects of changes in foreign exchange rates (IAS 21) Lack of exchangeability issued in August 2023.
- f) Insurance contracts (IFRS17) issued in May 2017.

It is not anticipated that any of these changes will have a material impact on the Council's financial performance or financial position.

## Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the Accounting Policies, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows.

- There continues to be a high degree of uncertainty regarding future levels of funding for local government, which may affect the Council's Corporate Plan and associated strategies and policies. Changes such as the proposed business rates reset and fair funding review brings further risk and volatility to the authority's planning activities across the short to medium term. The Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired because of a need to close facilities and reduce the levels of service provision. There is no impact on the going concern assessment.
- The Council maintains a level of reserves to mitigate financial risk and ensure financial stability in the medium term. The General Fund Balance and Earmarked Reserves in particular are reviewed at both budget setting and as part of the closure of accounts to ensure there is financial resilience and sufficient funding to support the Council. The review assumes the revenue budget is balanced during 2025/2026, however any overspend will have a detrimental impact on the level of reserves held.
- Where there are amounts in dispute with other parties, the Council has accounted for the amount it believes is correct. Where appropriate, a provision is set up to account for doubtful amounts.

- Valuation of property is subject to a number of professional judgements. Valuations are carried out by a qualified valuer, and their assumptions are set out in the Property, Plant and Equipment Note.

## Note 4 - Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Pensions Liability</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements 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 Council's Actuaries provide expert advice about the assumptions to be applied.	The effects on the Net Pensions Liability of changes in individual assumptions have been calculated as being: <ul style="list-style-type: none"> <li>▪ A decrease in the Discount Rate of 0.1% would increase the employer liability by approximately 1.5% (£8.0 million)</li> <li>▪ An increase in the salary increase rate of 0.1% would increase the employer liability by approximately 0.1% (£0.5 million)</li> <li>▪ An increase in the pension increase rate of 0.1% would increase the employer liability by approximately 1.4% (£7.7 million)</li> <li>▪ An increase in the longevity rate of 0.1% would increase the employer liability by approximately 3.8% (£20.1 million)</li> </ul>
<b>Arrears</b>	At 31 March 2025, debtors note18 (excluding Collection Fund) totalled £68.401 million. A review of significant balances suggested that an impairment of doubtful debts of £6.838 million was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £6.838 million to set aside as an allowance.

<b>Fair Value Measurements</b>	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities. Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value. Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 16 and 18 below.</p>	<p>The authority uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.</p>
<b>Property Plant &amp; Equipment</b>	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on maintaining assets, bringing into doubt the useful lives assigned.</p> <p>Assets are valued by professional staff qualified by the Royal Institute of Chartered Surveyors (RICS). Nevertheless, there is an inherent element of subjectivity with any asset valuation.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls.</p> <p>It is estimated that the annual depreciation charge would increase/decrease by £2.780 million if the useful lives were reduced by one year.</p>
<b>Non- Domestic Rates (NDR) Appeals</b>	<p>The Council has set aside a provision to cover successful appeals lodged against NDR banding with the Valuations office, based on a professional estimate of outstanding appeals.</p>	<p>If the provision is incorrect, there would be an impact on the Collection Fund balance. Any impact would be split between the Council and preceptors, with 49% of this amount impacting the Council and the provision of £2.931 million.</p> <p>If collection rates were to deteriorate further, for every 1% reduction in collection rate, an extra £0.029 million would be required to be set aside as an allowance.</p>

## Note 5 - Material Items of Income and Expense

The following material item of income and expense recognised in Net Cost of Services with the surplus or deficit on the provision of services is detailed below.

During 2024/2025, the CIES incurred depreciation impairment charges of £24.851 million (£22.431 million in 2023/2024) and net revaluation increase of £4.547 million (£6.121 million increase in 2023/2024). However, these have no impact on the General Fund as these are reversed out as required under statutory regulations (see **Note 9**). Other material items of income and expense are disclosed in **Notes 11, 12 and 13**.

## Note 6 - Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Executive Director of Resources - Chief Finance Officer on 31 July 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 on 31 March, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On 9 April 2025 the Government announced that it had agreed an investment with Universal Studios to build a theme park in Bedford Borough. The park will have a significant impact on the borough bringing 20,000 jobs during the construction period and 8,000 new jobs across the hospitality and create industries sector when it opens in 2031. The Theme Park is expected to generate £50 billion for the economy by 2055.

Building the capacity and infrastructure for the Park is a key part of the investment. The Department for Culture, Media and Sport have informed the Council that Network Rail have been appointed to build a four-platform railway station. The station will be built on the footprint of the Council's existing Wixams Railway Station project. Details of the new station have not yet been confirmed.

The Council has incurred £16.350 million to date on the construction of Wixams Railway Station which has been recorded as Assets Under Construction. Once further details are known the Council will need to review this position and determine the status of the works and costs incurred, and the extent to which the works carried out to date contribute to the development of the new Station.

## Note 7 - Note to the Expenditure and Funding Analysis

This note reconciles the accounting adjustments column included in the Expenditure and Funding Analysis Statement included at the beginning of the accounts.

	2024/25			Total Adjustments £000
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	
	£000	£000	£000	
Adults Services	312	(1,586)	0	(1,274)
Children's Services	1,475	(4,555)	264	(2,816)
Chief Executives	11	(324)	5	(309)
Corporate	7,441	(1,346)	29,772	35,867
Environment	13,324	(2,640)	(840)	9,843
Finance	0	(552)	1	(550)
Financing	(4,727)	33	(1,176)	(5,871)
Public Health	0	(246)	8	(238)
Transformation	241	(38)	(2)	201
<b>Net Cost of Services</b>	<b>18,076</b>	<b>(11,255)</b>	<b>28,031</b>	<b>34,852</b>
Other Income and Expenditure	6,100	2,053	(26,601)	(18,449)
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>24,176</b>	<b>(9,202)</b>	<b>1,429</b>	<b>16,403</b>

	2023/24			Total Adjustments £000
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	
	£000	£000	£000	
Adults Services	(36)	(1,453)	(55)	(1,544)
Children's Services	3,190	(4,513)	674	(648)
Chief Executives	11	(311)	(34)	<b>(335)</b>
Corporate	6,331	(1,193)	24,904	30,043
Environment	10,008	(2,603)	(985)	6,419
Finance	0	(495)	(43)	(538)
Financing	(8,680)	140	(352)	(8,892)
Public Health	0	(177)	(7)	(184)
Transformation	(635)	(47)	(3)	(685)
<b>Net Cost of Services</b>	<b>10,188</b>	<b>(10,651)</b>	<b>24,099</b>	<b>23,636</b>
Other Income and Expenditure	(36,583)	2,639	(25,025)	(58,969)
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>(26,395)</b>	<b>(8,012)</b>	<b>(926)</b>	<b>(35,333)</b>

### Note 1) Net Capital Statutory Adjustments

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

- **Capital charges to Net Cost of Services** – annual charges for depreciation, amortisation and property revaluations as stipulated under generally accepted accounting practices.
- **Revenue Expenditure Funded Capital Under Statute** – revenue expenditure, and associated external funding, funded by capital means charged to the CIES under generally accepted accounting practices.
- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

### Note 2) Net Pensions Statutory Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For **services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

### Note 3) Other Statutory Adjustments and 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** contributions to and from reserves have been transferred out of the CIES and movements in the employees benefits accrual recognised as specified under generally accepted accounting practices in the Code.
- For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

The transfer of income and expenditure included in service management accounts which are designated as Other Comprehensive Income and Expenditure in accordance with the Code.

- **Other Income and Expenditure** – Parish precepts and payments for levies.
- **Financing Income and Expenditure** – Interest payable, investment income and commercial property income and expenditure.
- **Taxation and non-specific grant income and expenditure** – Council Tax, National Non-Domestic Rates and non-specific government grants.

## Note 8 - Expenditure and Income Analysed by Nature

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

2023/24		Exp	Inc	2024/25
£000	Nature of Expenditure or Income	£000	£000	£000
(86,648)	Fees, charges and other service income	-	(87,283)	(87,283)
(29,404)	Interest and investment income	-	(33,505)	(33,505)
(151,592)	Income from local taxation	-	(160,789)	(160,789)
(276,710)	Government grants and contributions	-	(327,178)	(327,178)
157,471	Employee benefits expenses	159,774	-	159,774
1,221	Support service recharge expenditure	1,238	-	1,238
314,131	Other service expenses	344,250	-	344,250
13,657	Depreciation, amortisation and impairment	21,865	(1,636)	20,229
32,141	Interest payments	35,844	-	35,844
2,824	Precepts and levies	3,063	-	3,063
5,901	Gain or loss on disposal of non-current assets	72,179	(1,119)	71,060
<b>(17,008)</b>	<b>Surplus or Deficit for Year</b>	<b>638,214</b>	<b>(611,511)</b>	<b>26,703</b>

## Note 9 - Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/2025	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	9,202			(9,202)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	0			0
Changes in fair value of pooled investments	890			(890)
Council tax and NDR (transfers to or from the Collection Fund)	(2,029)			2,029
Holiday pay (transferred to the Accumulated Absences reserve)	(288)			288
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(32,536)		(70,123)	102,659
<b>Total Adjustments to Revenue Resources</b>	<b>(24,762)</b>		<b>(70,123)</b>	<b>94,884</b>
Adjustments between Revenue and Capital Resources:				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,763	(1,763)		0
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,211			(4,211)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,386			(2,386)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>8,360</b>	<b>(1,763)</b>	<b>0</b>	<b>(6,597)</b>
Use of the Capital Receipts Reserve to finance capital expenditure		1,770		(1,770)
Application of capital grants to finance capital expenditure			60,374	(60,374)
Cash payments in relation to deferred capital receipts		(7)		7
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>1,763</b>	<b>60,374</b>	<b>(62,137)</b>
<b>Total Adjustments</b>	<b>(16,402)</b>	<b>0</b>	<b>(9,749)</b>	<b>26,150</b>

2023/24	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
<b>Adjustments to the Revenue Resources</b>				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	8,012			(8,012)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	6			(6)
Changes in fair value of pooled investments	250			(250)
Council tax and NDR (transfers to or from the Collection Fund)	912			(912)
Holiday pay (transferred to the Accumulated Absences reserve)	(243)			243
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	12,050		(35,986)	23,936
<b>Total Adjustments to Revenue Resources</b>	<b>20,988</b>	<b>0</b>	<b>(35,986)</b>	<b>14,999</b>
<b>Adjustments between Revenue and Capital Resources:</b>				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	3,609	(3,609)		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,858			(4,858)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,877			(5,877)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>14,345</b>	<b>(3,609)</b>	<b>0</b>	<b>(10,736)</b>
<b>Adjustments to Capital Resources</b>				
Use of the Capital Receipts Reserve to finance capital expenditure		3,616		(3,616)
Application of capital grants to finance capital expenditure			43,083	(43,083)
Cash payments in relation to deferred capital receipts		(7)		7
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>3,609</b>	<b>43,083</b>	<b>(46,692)</b>
<b>Total Adjustments</b>	<b>35,333</b>	<b>0</b>	<b>7,096</b>	<b>(42,429)</b>

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

**Capital Grants Unapplied** - The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## Note 10 - Transfers to/from Earmarked Reserves

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

Balance 31 March 2023 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2024 £000	Reserve Description	Balance 31 March 2024 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2025 £000
(1,537)	1,250	0	(287)	Adults Services	(287)	287	(227)	(227)
(1,306)	700	0	(606)	Childrens Services	(606)	218	0	(388)
(950)	389	(134)	(695)	Chief Executives	(695)	465	(55)	(285)
(743)	473	0	(270)	Corporate Services	(270)	232	(484)	(522)
(3,591)	3,025	(2,357)	(2,924)	Environment	(2,924)	4,346	(3,737)	(2,315)
(4,708)	881	0	(3,826)	Finance	(3,826)	242	0	(3,584)
(14,084)	11,816	(3,901)	(6,169)	Financing	(6,169)	5,365	(2,880)	(3,684)
(2,719)	1,101	(677)	(2,295)	Public Health	(2,295)	839	(403)	(1,859)
(5,445)	2,001	(230)	(3,674)	Transformation	(3,674)	2,819	0	(855)
(3,351)	3,418	(1,301)	(1,234)	*Business Rates Deficit & Council Tax Income Guarantee	(1,234)	1,216	(2,012)	(2,030)
<b>(38,434)</b>	<b>25,053</b>	<b>(8,600)</b>	<b>(21,981)</b>	<b>Earmarked Reserves</b>	<b>(21,981)</b>	<b>16,029</b>	<b>(9,797)</b>	<b>(15,749)</b>
(5,393)	2,060	(883)	(4,216)	Schools Reserves	(4,216)	1,687	(712)	(3,241)
(3,008)	2,047	(246)	(1,206)	Schools Reserves – DSG	(1,206)	2,576	(1,044)	327
<b>(46,835)</b>	<b>29,161</b>	<b>(9,729)</b>	<b>(27,403)</b>	<b>Earmarked Reserves (Including Schools)</b>	<b>(27,403)</b>	<b>20,292</b>	<b>(11,553)</b>	<b>(18,664)</b>
(10,076)	0	(1,108)	(11,183)	General Fund Balance	(11,183)	4,958	(3,396)	(9,621)
<b>(56,910)</b>	<b>29,161</b>	<b>(10,837)</b>	<b>(38,586)</b>	<b>Total General Fund Reserves</b>	<b>(38,586)</b>	<b>25,250</b>	<b>(14,949)</b>	<b>(28,285)</b>

## Note 11 - Other Operating Expenditure

Other Operating Expenditure includes corporate costs to the Authority which are not allocated to specific service lines within the Net Cost of Services.

2023/24		2024/25
£000		£000
2,056	Precepts	2,218
768	Levies	845
7,722	(Gains)/losses on the Disposal of Non-Current Assets	72,179
<b>10,546</b>	<b>Total Other Operating Expenditure</b>	<b>75,242</b>

## Note 12 - Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes corporate income and expenditure associated with capital financing, investment properties and pension IAS19 adjustments.

2023/24		2024/25
£000		£000
3,208	Interest payable and similar charges	4,161
2,639	Net interest on the net defined benefit liability (asset)	2,053
(2,860)	Interest receivable and similar income	(2,985)
(11,540)	*(Income) and expenditure in relation to investment properties and changes in their fair value	(6,351)
(250)	(Gains)/losses on revaluation of pooled funds	(890)
<b>(8,803)</b>	<b>Total</b>	<b>(4,012)</b>

\* Includes fair value increase of £1.636million (£4.958 million increase 2023/2024). Gain on disposal of £1.119 million (£1.821 million 2023/2024) and net income of £3.597 million (£4.762 million 2023/2024).

The value of financial pooled funds increased by £0.890 million in line with market conditions, compared to a rise of £0.250 million in 2023/2024.

## Note 13 - Taxation and Non-Specific Grant Income

Taxation and Non Specific Grant Income note incorporates all non-service specific financing sources including, Council Tax, National Non-Domestic Rates, Revenue Support Grant, Non-service specific grants and Capital Grants recognised during the financial year.

2023/24		2024/25
£000		£000
(112,058)	Council tax income	(119,206)
(39,534)	Non-domestic rates income and expenditure	(41,582)
(27,153)	Non-ringfenced government grants	(32,549)
(37,526)	Capital grants and contributions	(63,325)
<b>(216,272)</b>	<b>Total</b>	<b>(256,663)</b>

**Non-specific government grants** increased by £5.396 million reflecting an increase in Section 31 Grants. **Capital grants and contributions** increased by £25.799 million reflecting an increase in grant income recognised. See **Note 33 Grant Income** for analysis.

## Note 14A - Property, Plant and Equipment

31st March 2024 Total £000		31st March 2025 Total £000
224,752	Infrastructure assets (Note 14b)	223,109
503,271	Other PPE assets (Note 14c)	499,785
<b>728,023</b>	<b>Total PPE assets</b>	<b>722,894</b>

## Note 14B – Infrastructure Assets Movements

### Infrastructure Assets Movements

31 March 2024 £000		31 March 2025 £000
<b>212,071</b>	<b>Net carrying amount at start of year</b>	<b>224,752</b>
23,180	Additions	8,103
(11,881)	Depreciation for the period	(12,861)
1,382	Reclassifications	3,115
<b>224,752</b>	<b>Net carrying amount at end of year</b>	<b>223,109</b>

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

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

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

## Note 14C - Property, Plant and Equipment

### Movements to 31 March 2025

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
<b>Cost or Valuation</b>						
<b>at 1 April 2024</b>	<b>424,940</b>	<b>58,282</b>	<b>5,924</b>	<b>4,498</b>	<b>41,355</b>	<b>534,999</b>
Depreciation written out on revaluation	(3,690)	0	0	0	0	(3,690)
Additions	12,801	2,723	0	321	39,744	55,589
Revaluation increases/(decreases) recognised in the Revaluation Reserve	22,012	0	0	785	0	22,797
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	4,251	0	0	296	0	4,547
De-recognition – disposals	(12,051)	(1,155)	0	0	0	(13,206)
De-recognition – other	(6,239)	(2,043)	0	0	(52,592)	(60,874)
Reclassifications and transfer	2,082	0	(182)	182	(4,241)	(2,159)
Other movements in cost or valuation	0	0	0	0	0	0
<b>at 31 March 2025</b>	<b>444,106</b>	<b>57,807</b>	<b>5,742</b>	<b>6,082</b>	<b>24,266</b>	<b>538,003</b>
<b>Accumulated Depreciation and Impairment</b>						
<b>at 1 April 2024</b>	<b>(4,119)</b>	<b>(27,609)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,728)</b>
Depreciation written out on revaluation	3,690	0	0	0	0	3,690
Depreciation charge	(7,303)	(4,687)	0	0	0	(11,990)
De-recognition – disposals	0	864	0	0	0	864
De-recognition – other	371	575	0	0	0	946
Reclassifications and transfers	0	0	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
<b>at 31 March 2025</b>	<b>(7,361)</b>	<b>(30,857)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(38,218)</b>
<b>Net Book Value</b>						
<b>at 31 March 2025</b>	<b>436,745</b>	<b>26,950</b>	<b>5,742</b>	<b>6,082</b>	<b>24,266</b>	<b>499,785</b>
<b>at 31 March 2024</b>	<b>420,822</b>	<b>30,673</b>	<b>5,924</b>	<b>4,497</b>	<b>41,356</b>	<b>503,271</b>

## Movements to 31 March 2024

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
<b>Cost or Valuation</b>						
<b>at 1 April 2023</b>	<b>397,242</b>	<b>53,139</b>	<b>5,964</b>	<b>3,873</b>	<b>10,087</b>	<b>470,304</b>
Depreciation written out on revaluation	(2,342)	0	0	0	0	(2,342)
Additions	8,586	6,967	0	0	39,148	54,701
Revaluation increases/(decreases) recognised in the Revaluation Reserve	15,214	0	0	1,807	0	17,021
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	7,304	0	0	(1,183)	0	6,121
De-recognition – disposals	(4,838)	(1,217)	0	0	0	(6,055)
De-recognition – other	(2,405)	(727)	0	0	0	(3,132)
Reclassifications and transfer	6,180	119	(40)	0	(7,879)	(1,620)
Other movements in cost or valuation	0	0	0	0	0	0
<b>at 31 March 2024</b>	<b>424,941</b>	<b>58,281</b>	<b>5,924</b>	<b>4,497</b>	<b>41,356</b>	<b>534,998</b>
<b>Accumulated Depreciation and Impairment</b>						
<b>at 1 April 2023</b>	<b>(502)</b>	<b>(24,326)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(24,828)</b>
Depreciation written out on revaluation	2,342	0	0	0	0	2,342
Depreciation charge	(6,046)	(4,504)	0	0	0	(10,550)
De-recognition – disposals	0	1,040	0	0	0	1,040
De-recognition – other	87	182	0	0	0	269
Reclassifications and transfers	0	0	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
<b>at 31 March 2024</b>	<b>(4,119)</b>	<b>(27,068)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,727)</b>
<b>Net Book Value</b>						
<b>at 31 March 2024</b>	<b>420,822</b>	<b>30,673</b>	<b>5,924</b>	<b>4,497</b>	<b>41,356</b>	<b>503,271</b>
<b>at 31 March 2023</b>	<b>396,740</b>	<b>28,813</b>	<b>5,964</b>	<b>3,873</b>	<b>10,087</b>	<b>445,476</b>

## Depreciation

The useful lives used in the calculation of depreciation are given within the Accounting Policies for Property, Plant and Equipment.

## Capital Commitments

At 31 March 2025, the Council had entered into a number of contracts for the construction or the enhancement of Property, Plant and Equipment in 2025/2026 and future years. The major commitments are:

31 March 2024		31 March 2025
£000	Capital Scheme	
10,465	Highways Works	14,683
0	Vehicle, Plant & Equipment Programme	3,699
0	Marston Vale Business Park Infrastructure	943
0	Temporary Accommodation works	454
365	Superfast Broadband Project	0
4,431	Wixams Railway Station	43,888
0	Average Speed Cameras	
23,392	Schools	22,170
0	Solar Panels on Council Car Parks/Buildings	195
<b>38,653</b>	<b>Total</b>	<b>86,032</b>

## Effects of Changes in Estimates

There are no material effects or changes in estimates.

## Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All DRC and Rural asset valuations were carried by Savills the remainder are carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic prices.

The significant assumptions applied in estimating the fair values are:

- Internal services (e.g. electrics, heating or other building service apparatus) are assumed to be in good repair and condition.
- Service installations will not be tested and it is assumed that they are of adequate supply and capacity, in satisfactory working order and comply with statutory requirements.
- Inspections undertaken will typically be external only and it is assumed that the inspection of assets or parts of assets that have not been inspected would not cause the valuer to alter their initial opinion of value
- It has been assumed that no deleterious or hazardous substances are present and that no latent defects exist.
- It is assumed that there are no contamination issues on individual properties but should it subsequently be identified that contamination, pollution or seepage exists or that the property is being put to a contaminative use this would likely reduce the values reported.
- No title check or local search are to be carried out and it is assumed that the property and its value are unaffected by any matters which would be revealed by a local search or inspection of any register, nor subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that the use and occupation are lawful.

- Any mineral value is excluded unless specifically reflected in the valuation.
- Where an asset has been damaged by an insured peril it is assumed that the asset is reinstated with a new facility utilising any insured losses.
- It is assumed that non-operational freehold properties will be well maintained that there is no significant backlog and that the asset will have a useful life in excess of 50 years. For leased out properties it is assumed that the parties to the lease/agreement have complied with the required repairing and decorating covenants.
- It is assumed that the Authority will continue to provide sufficient maintenance resources to enable the operational properties to continue to provide the existing level of service for the medium term, unless otherwise stated. All permanent operational properties are considered to have a useful life of 100 years or as stated individually.
- It is assumed that there is no breach of planning regulations relating to the properties being valued. The planning position on specific properties has not been researched although consideration has been given to potential alternative uses under the Local Plan in respect of some properties where considered appropriate. Any specifics or planning assumptions have been stated on the individual valuation.
- It is assumed that ground lease rents will revert to open market values, either rental or capital, upon reversion whenever that may be.
- It is also assumed that commercial leases will be renewed on expiry unless specifically stated in the individual valuation.
- For the valuation of long ground leases of industrial buildings held freehold it is assumed that at the end of the lease the building will no longer be fit for use, or alternatively will not be of a construction type or design suitable for modern requirements. Thus there will be no demand for the building in the market and its value shall be that of the site only.
- No allowance has been made in respect of the costs of sale unless the property is classified as 'Assets Held For Sale', or as stated on the individual property valuation.
- Where capital expenditure on an asset is considered to have no effect on the value of the asset a valuation may not have been undertaken purely as a result of such expenditure having been incurred.
- It is assumed that the properties are compliant with the Disability Discrimination Act 1995, The Equality Act 2010, The Fire Precautions Act 1971, The Regulatory Reform (Fire Safety) Order 2005, The Health and Safety at Work Act 1974, et al.

The table below shows the values of assets split by type and according to the year in which they were formally valued.

	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastruct ure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Constructi on £000	Total £000
<b>Carried at historical cost</b>	12,056	26,950	223,109	5,730		24,266	292,111
<b>Valued at current value as at:</b>							
<b>31/03/2025</b>	125,593				3,889		129,482
<b>31/03/2024</b>	143,441				424		143,865
<b>31/03/2023</b>	152,178				1,605		153,783
<b>31/03/2022</b>	3,277			12			3,289
<b>31/03/2021</b>	200						200
<b>31/03/2020</b>					164		164
<b>Total Cost or Valuation</b>	<b>436,745</b>	<b>26,950</b>	<b>223,109</b>	<b>5,742</b>	<b>6,082</b>	<b>24,266</b>	<b>722,894</b>

## Note 15 - Investment Properties

### Income and Expenditure

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

31 March 2024			31 March 2025	
£000		Investment Property Income and Expenditure		
(5,207)		Rental income from investment property		(4,874)
445		Direct operating expenses from investment property		1,278
0		Other income and expenditure		0
<b>(4,762)</b>		<b>Net (gain)/loss</b>		<b>(3,597)</b>

The Council would expect to be able to realise the value and receive the proceeds of disposal inherent in its investment property if disposed of in a strategic manner over a period of time and typically receives income as defined by the existing lease arrangements. The Council has varying repair and maintenance responsibilities associated with leases that require works to be undertaken periodically.

### Balance Sheet Fair Values

The following table summarises the movement in the fair value of investment properties:

31 March 2024			31 March 2025	
Current	Non-Current		Current	Non-Current
£000	£000	Investment Properties Movements in Year		
7,834	73,723	Opening Balance	0	85,532
		Additions:		
0	410	Purchases	11	874
(1,632)	0	Disposals	(58)	(495)
1,198	3,760	Net gains/(losses) from fair value adjustments	0	1,636
		Transfers:		
(7,400)	7,400	to/(from) Current / Non Current	247	(247)
0	239	(to)/from Property Plant and Equipment		(956)
<b>0</b>	<b>85,532</b>	<b>Balance at the end of the year</b>	<b>200</b>	<b>86,344</b>

Gains or losses arising from the changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

### Fair Value Hierarchy

Detail of the authority's investment properties and information about the fair value hierarchy as at 31 March 2025 are as follows:

Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value as at 31 March 2025
	£000	£000	£000	£000
	£0	71,203	15,341	86,544

### Transfers between Levels of the Fair Value Hierarchy

During 2024/2025 £0.556million was transferred out of Level 3.

## Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

### Significant Observable Inputs – Level 2

The fair value for the properties classified as Level 2 has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

### Significant Unobservable Inputs – Level 3

The properties classified as Level 3 located in the local authority area are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream or by the means of direct market comparisons. Both methods have been developed using the authority's own and relevant market data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. The relevant property valuations are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

### Highest and Best Use of Investment Properties

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

### Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

### Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy

The reconciliation in the table below shows the movement of all level 3 investment properties.

31 March 2024	Investment Property Movements in Year	31 March 2025
£000		£000
15,642	Opening Balance	15,894
0	Reclassifications out of Investment Properties at Level 3	(556)
1,002	Total gains or losses for the period included in the Surplus or Deficit on the Provision of Services resulting from changes in fair value	9
	Additions	52
(750)	Disposals	(58)
15,894	<b>Balance at the end of the year</b>	<b>15,341</b>

### Quantitative Information about the Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

#### Commercial

90 of the 96 property valuations classified as commercial are based on observable inputs evidenced by strong market information. The remaining 6 valuations, totalling £0.699 million are for sites which are unique in their characteristics and require professional judgements to be made. Each

Commercial Property valuation incorporates unique and varying judgements which are not easily summarised and are not considered material in nature.

### Development

All development Properties, are classified as Level 3 and have a total valuation of £12.720 million as at 31 March 2025. The valuation of these sites is based on an income approach using a discounted cash flow (DCF) technique and direct market comparisons of similar site transactions. This technique is supported by a number of unobservable inputs such as % of land estimated to be viable for development, infrastructure obligations, discount rate and overall scheme risk.

### Rural

29 of the 31 property valuations classified as rural are based on observable inputs evidenced by strong market information. The remaining 2 valuations, totalling £1.922 million are for sites which are unique in their characteristics and require professional judgements to be made. Each rural property valuation incorporates unique and varying judgements which are not easily summarised and are not considered material in nature.

### Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date as a minimum. All valuations are carried out internally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The authority's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

## Note 16 - Intangible Assets

The authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generally software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority.

31 March 2024	31 March 2025
Total £000	Total £000
Balance at start of year:	
15,867	16,707
(8,207)	(10,512)
<b>7,660</b>	<b>6,195</b>
Additions:	
840	1,045
0	0
(2,305)	(1,560)
0	0
<b>6,195</b>	<b>5,680</b>
Comprising:	
16,707	12,864
(10,512)	(7,184)
<b>6,195</b>	<b>5,680</b>

Intangible Assets are amortised to the relevant service line(s) in the CIES over the economic life of the asset (between 5 and 10 years).

The carrying amount of intangible assets is historical cost, amortised on a straight-line basis. The amortisation for the period has been charged to the relevant service area.

## Note 17A - Financial Instruments

The Accounting Policies in Note 1 set out the classifications of financial instruments listed below.

	Non-Current Financial Assets					
	Investments		Debtors		Total	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025
			£000		£000	
Fair value through profit and loss	33,453	32,343	0		33,453	32,343
Amortised cost			7,181	1,537	7,181	1,537
<b>Total financial assets</b>	<b>33,453</b>	<b>32,343</b>	<b>7,181</b>	<b>1,537</b>	<b>40,634</b>	<b>33,880</b>

	Current Financial Assets					
	Investments		Debtors		Total	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025
			£000		£000	
Amortised cost	0	0	28,359	29,750	28,359	29,750
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>28,359</b>	<b>29,750</b>	<b>28,359</b>	<b>29,750</b>

	Non-Current Financial Liabilities					
	Borrowings		Other long-term liabilities		Total	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025
			£000		£000	
Amortised cost	(53,204)	(46,229)	(114)	(78)	(53,317)	(46,307)
<b>Total financial liabilities</b>	<b>(53,204)</b>	<b>(46,229)</b>	<b>(114)</b>	<b>(78)</b>	<b>(53,317)</b>	<b>(46,307)</b>

	Current Financial Liabilities					
	Borrowings		Creditors		Total	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025
			£000		£000	
Amortised cost	(35,075)	(83,724)	(45,185)	(45,279)	(80,260)	(129,003)
<b>Total financial liabilities</b>	<b>(35,075)</b>	<b>(83,724)</b>	<b>(45,185)</b>	<b>(45,279)</b>	<b>(80,260)</b>	<b>(129,003)</b>

Creditors will not reconcile to the balance sheet as non-financial instruments are excluded from the table above.

The table shows Income, Expenses, Gains and Losses recognised in the Comprehensive Income and Expenditure Statement during the year.

	31 March 2024		31 March 2025	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
<b>Net gains/losses on:</b>				
• financial assets measured at fair value through profit or loss	0	(250)	0	(890)
<b>Total net (gains)/losses</b>	<b>0</b>	<b>(250)</b>	<b>0</b>	<b>(890)</b>
<b>Interest revenue:</b>				
• financial assets measured at amortised cost	(2,837)	0	(2,962)	0
• other financial assets measured at fair value through other comprehensive income	(23)	0	(23)	0
<b>Total interest revenue</b>	<b>(2,860)</b>	<b>0</b>	<b>(2,985)</b>	<b>0</b>
<b>Interest expense</b>	<b>3,207</b>	<b>0</b>	<b>4,160</b>	<b>0</b>

## Note 17B - Financial Instruments Fair Value

### Recurring Fair Value Measurements – Fair Value through Profit and Loss:

	31 March 2024	31 March 2025
	£000	
Bond, equity and property funds	33,453	32,343
Money Market Funds	5	5
<b>Balance 31 March</b>	<b>33,458</b>	<b>32,348</b>

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are required).

Financial Liabilities	31 March 2024		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial Liabilities held at Amortised Cost	(88,278)	(87,645)	(129,953)	(125,764)
<b>Total</b>	<b>(88,278)</b>	<b>(87,645)</b>	<b>(129,953)</b>	<b>(125,764)</b>

Financial Assets	31 March 2024		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Amortised Cost	287	287	286	286
<b>Total</b>	<b>287</b>	<b>287</b>	<b>286</b>	<b>286</b>

The fair value for financial assets represents the principal outstanding for a finance lease which ends in 2121/2122.

## Note 18 - Debtors

31 March 2024		31 March 2025	
	£000		£000
	13,426	Trade Receivables	16,184
	7,733	*Prepayments	7,742
	1,855	Housing Benefit Claimants	1,821
	10,594	Central Government Debtors	35,338
	9,046	Council Tax & NDR Debtors	10,055
	9,784	Other Receivable Amounts	8,220
	<b>52,438</b>	<b>Total</b>	<b>79,360</b>

\*31<sup>st</sup> March 2025 includes £5.588 million cash payment in advance to Bedfordshire Pension Fund in respect of the fixed element secondary rate Employers Pension Contribution, the prepayment as at 31 March 2024 was £5.633 million.

General debtors of £68.401m assessed to require a bad debt provision (bdp) of (£6.839m).  
Collection Fund debtors of £20.361m require bdp of (£10.306m).  
No bdp required for £7.742m prepayments.

## Note 19 - Cash and Cash Equivalents

31 March 2024		31 March 2025	
	£000		£000
	5,146	Cash and Bank balances	4,472
	0	Short Term Investments	0
	7	Short Term Deposits	6,213
	(2,726)	Bank Overdraft	(288)
	<b>2,427</b>	<b>Total Cash and Cash Equivalents</b>	<b>10,397</b>

## Note 20A - Creditors

31 March 2024		31 March 2025	
	£000		£000
	(30,596)	Trade payables	(7,996)
	(14,686)	Receipts In Advance	(11,196)
	(10,652)	Council Tax and NDR Creditors	(7,809)
	(3,403)	Accumulated Absences Accrual	(3,691)
	(685)	S31 Grant due to be repaid to DLUHC/MHCLG	(490)
	(15,613)	Other payables	(38,480)
	<b>(75,635)</b>	<b>Total Creditors</b>	<b>(69,663)</b>

## Note 20B – Creditors: Other Long-Term Liabilities

31 March 2024			31 March 2025	
	£000	Note Ref		£000
(71,731)	Pension Liability	39		(67,159)
(114)	Finance Lease Long-Term Liability	36		(78)
(11,174)	Long Term Creditors	-		(10,893)
<b>(83,019)</b>	<b>Total Creditors</b>			<b>(78,130)</b>

## Note 21 – Provisions

### Current Provisions

2024/25	Elstow Landfill Decommissioning	Non - Domestic Rates Appeal			Compulsory Purchase Orders	Other	Total
		Insurance Provision	(BBC portion)				
	£000	£000	£000	£000	£000	£000	£000
<b>Opening Balance</b>	<b>(2,752)</b>	<b>(362)</b>	<b>(2,414)</b>	<b>(151)</b>	<b>(190)</b>	<b>(5,870)</b>	
(Increase)/decrease in provision during year		(62)	(517)		(335)	(914)	
Utilised during year	501				19	520	
Unwinding of discounting		46				46	
Other movements	1,839					1,839	
<b>Closing Balance</b>	<b>(411)</b>	<b>(379)</b>	<b>(2,931)</b>	<b>(151)</b>	<b>(506)</b>	<b>(4,378)</b>	

### Long Term Provisions

2024/25	Elstow Landfill Decommissioning		Insurance Provision		Total
	£000	£000	£000	£000	
<b>Opening Balance</b>		<b>(1,442)</b>		<b>(973)</b>	<b>(2,415)</b>
Unwinding of discounting				(41)	(41)
Other movements		(1,839)			(1,839)
<b>Closing Balance</b>		<b>(3,281)</b>		<b>(1,014)</b>	<b>(4,295)</b>

The main provisions represent:

- Elstow Landfill Decommissioning is to cover the future statutory revenue and capital costs associated with the closed landfill site in Elstow.
- National Non-Domestic Rates Appeals is 49% of the appeal provision created in the Collection Fund for potential appeals against Non-Domestic Rates Bills.
- Insurance Provision is set aside for specific and known insurance liabilities. Approximately 25% is expected to be spent within 1 year, 50% within 2 – 5 years, and the remainder after 5 years.
- Compulsory Purchase Orders (CPO) relates to amounts anticipated to be incurred as a result of making CPOs, but where the owner has not yet made a claim.

All other provisions are individually insignificant.

A summary of the movement in provisions is shown in the table below:

2023/24	Total Provisions	2024/25
£000		£000
<b>(10,953)</b>	<b>Opening Balance</b>	<b>(8,284)</b>
2,077	(Increase) in provision during year	(914)
581	Utilised during year	520
11	Unwinding of discounting	5
0	Other movements	0
<b>(8,284)</b>	<b>Closing Balance</b>	<b>(8,673)</b>

## Note 22 - Usable Reserves

Movement in the Council's Usable Reserves are detailed in the **Movement in Reserves Statement**, and the disclosure notes **Adjustments between Accounting Basis and Funding Basis under Regulations** and **Transfers to / from Earmarked Reserves**.

The council has established sufficient levels of Usable Reserves to mitigate financial risk. There will be an ongoing need to review and establish a level of Reserves which both allows the Council to withstand the financial impacts of future funding reductions, at a local or national level, and provides funding to enable the Council to transform to deliver fit for purpose services which meet the changing needs and expectations of service users.

### Capital Receipts Reserve

31 March 2024		31 March 2025
£000		£000
<b>0</b>	<b>Balance 1 April</b>	<b>0</b>
(3,609)	Capital Receipts in year	(1,763)
(7)	Deferred Receipts realised	(7)
3,616	Capital Receipts used for financing	1,770
<b>0</b>	<b>Balance 31 March</b>	<b>0</b>

### Capital Grants Unapplied

31 March 2024		31 March 2025
£000		£000
<b>(20,636)</b>	<b>Balance 1 April</b>	<b>(13,540)</b>
(35,986)	Capital grants recognised in year	(70,123)
43,083	Capital grants and contributions applied	60,374
<b>(13,540)</b>	<b>Balance 31 March</b>	<b>(23,288)</b>

## Note 23 - Unusable Reserves

The table below provides a breakdown of the Unusable Reserves values included in the Movement in Reserves Statement.

31 March 2024		31 March 2025
£000		£000
(152,853)	Revaluation Reserve	(171,251)
(505,229)	Capital Adjustment Account	(475,710)
(3)	Financial Instruments Adjustment Account	(3)
71,731	Pension Reserve	67,159
(365)	Deferred Capital Receipts Reserve	(358)
(3,204)	Collection Fund Adjustment Account	(1,177)
3,403	Accumulated Absences Account	3,691
3,547	Pooled Investment Funds Adjustment Account	2,657
<b>(582,972)</b>	<b>Total</b>	<b>(574,992)</b>

Financial Instruments Adjustment Account and Accumulated Absences Account are not disclosed below because movements are immaterial.

### Revaluation Reserve

31 March 2024		31 March 2025
£000		£000
<b>(138,468)</b>	<b>Balance 1 April</b>	<b>(152,853)</b>
(20,949)	Upward revaluation of assets	(29,624)
3,928	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	6,827
<b>(17,021)</b>	<b>Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services</b>	<b>(22,797)</b>
1,641	Difference between fair value depreciation and historical cost depreciation	1,927
995	Accumulated gains on assets sold or scrapped	2,471
<b>2,636</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>4,399</b>
<b>(152,853)</b>	<b>Balance 31 March</b>	<b>(171,251)</b>

The Revaluation Reserve contains the gains made by the authority arising from increases in the value of its property, plant and equipment and intangible assets.

The balance is reduced when assets with accumulated gains are:

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

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

During 2024/2025 Property Plant and Equipment has been revalued upwards by a net movement of £22.797 million. This revaluation is included within the Property, Plant and Equipment (PPE) disclosure, **Note 14**. These revaluations are not recognised within the Provision of Services section

of the Comprehensive Income and Expenditure Statement until the asset is disposed of and the gain is achieved. The net revaluation gain is included within the lower part of the note in the section titled Other Comprehensive Income and Expenditure.

#### Pooled Investment Funds Adjustment Account

31 March 2024		31 March 2025
£000		
3,797	<b>Balance 1 April</b>	3,547
(250)	Changes in fair value of pooled investments	(890)
<b>3,547</b>	<b>Balance 31 March</b>	<b>2,657</b>

The Pooled Investment Funds Adjustment Account contains the gains or losses made by the authority arising from increases or decreases in the value of its Pooled Investment Fund investments that are measured at fair value through profit and loss. A statutory provision requires the authority to hold fair value movements in this unusable reserve.

#### Capital Adjustment Account

31 March 2024		31 March 2025
£000		£000
(469,095)	<b>Balance 1 April</b>	<b>(505,229)</b>
22,431	Charges for depreciation and impairment of non-current assets	24,851
(6,122)	Revaluation losses on non-current assets	(4,547)
2,305	Amortisation of intangible assets	1,560
26,699	Revenue expenditure funded from capital under statute	32,559
8,515	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	70,352
<b>53,828</b>	<b>Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>	<b>124,775</b>
(1,641)	Adjusting Amounts written out of the Revaluation Reserve	(1,927)
<b>52,187</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>122,848</b>
(3,616)	Use of Capital Receipts Reserve to finance new capital expenditure	(1,770)
(69,012)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(83,327)
(4,858)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(4,211)
(5,877)	Capital expenditure charged against the General Fund and HRA balances	(2,386)
<b>(83,364)</b>	<b>Capital financing applied in year:</b>	<b>(91,693)</b>
(4,958)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(1,636)
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	0
<b>(505,229)</b>	<b>Balance 31 March</b>	<b>(475,710)</b>

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and also revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007 (the date that the Revaluation Reserve was created to hold such gains). **Note 9** provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

### Pension Reserve

31 March 2024		31 March 2025	
£000			£000
<b>92,824</b>	<b>Balance 1 April</b>		<b>71,732</b>
(13,080)	Remeasurements of the net defined benefit (liability)/asset		4,630
13,327	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement		13,270
(21,339)	Employer's pensions contributions and direct payments to pensioners payable in the year		(22,472)
<b>71,731</b>	<b>Balance 31 March</b>		<b>67,159</b>

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Pensions Reserve fell by £4.572 million during 2024/2025. The table reconciles the movement which is explained in more detail within **Note 39**.

### Deferred Capital Receipts Reserve

31 March 2024		31 March 2025	
£000			£000
<b>(371)</b>	<b>Balance 1 April</b>		<b>(364)</b>
7	Transfer to the Capital Receipts Reserve upon receipt of cash		7
<b>(364)</b>	<b>Balance 31 March</b>		<b>(357)</b>

The Council holds a balance of Long Term Debtors and a matching balance relating to Deferred Capital Receipts. These balances relate to mortgages arising from the sale of Council houses which are not immediately payable, but are repayable over a longer period and in respect of a finance lease, and the sale of an Investment Property, Employment Land at Wootton which is now fully paid. When principal payments are received the Long Term Debtor is reduced and a matching amount is transferred from Deferred Capital Receipts to Capital Receipts Reserve. However, for finance leases in existence before 31 March 2010 statutory mitigation (SI 2010/454) applies whereby principal payments are classified as revenue (not capital), as such a matching amount is transferred from Deferred Capital Receipts to the Comprehensive Income and Expenditure Statement.

#### Collection Fund Adjustment Account

31 March 2024		31 March 2025	
£000		£000	
(2,295)	<b>Balance 1 April</b>	(3,207)	
(912)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	2,029	
<b>(3,207)</b>	<b>Balance 31 March</b>	<b>(1,178)</b>	

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Non-Domestic Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Business ratepayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

## Note 24 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31 March 2024		31 March 2025	
£000		£000	
(2,860)	Interest received	(2,985)	
3,204	Interest paid	3,842	
<b>344</b>	<b>Total</b>	<b>857</b>	

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

31 March 2024		31 March 2025	
£000		£000	
(22,431)	Depreciation	(24,851)	
6,121	Impairment and downward valuations	4,547	
(2,305)	Amortisation	(1,560)	
4,286	(Increase)/decrease in creditors	942	
20,489	Increase/(decrease) in debtors	20,269	
8,012	Movement in pension liability	9,202	
(9,510)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(72,823)	
7,479	Other non-cash movements charged to the surplus or deficit on provision of services	1,254	
<b>12,142</b>	<b>Total</b>	<b>(63,018)</b>	

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

31 March 2024		31 March 2025	
	£000		£000
3,608	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,763	
37,526	Any other items for which the cash effects are investing or financing cash flows	64,215	
<b>41,135</b>	<b>Total</b>	<b>65,978</b>	

## Note 25 - Cash Flow from Investing Activities

31 March 2024		31 March 2025	
	£000		£000
71,131	Purchase of property, plant and equipment, investment property and intangible assets	67,771	
1,000	Purchase of short-term and long-term investments	0	
(3,616)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,770)	
(12,000)	Proceeds from short-term and long-term investments	(2,000)	
(41,144)	Other receipts from investing activities	(64,158)	
<b>15,372</b>	<b>Net cash flows from investing activities</b>	<b>(157)</b>	

## Note 26 - Cash Flow from Financing Activities

31 March 2024		31 March 2025	
	£000		£000
(84,600)	Cash receipts of short term and long term borrowing	(551,700)	
69	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	31	
56,720	Repayments of short-term and long-term borrowing	510,343	
2,317	Other payments / (receipts) for financing activities	3,852	
<b>(25,494)</b>	<b>Net cash flows from financing activities</b>	<b>(37,473)</b>	

## Note 27 - Agency Services

The Council provides services on behalf of other public bodies on an Agency basis. The income and expenditure recognised in the accounts is only those elements relating to the Council, and not income and expenditure relating to third parties. The significant Agency Services are shown in the table below, with the exception of Business Rates and Council Tax Collection (which are shown as a separate note).

2023/24		Payroll Services		2024/25	
	£000				£000
(91,639)	Income			(102,078)	
91,639	Expenditure			102,078	
<b>0</b>	<b>Net Surplus/Deficit on the Agency Arrangement</b>			<b>0</b>	

## Note 28 - Pooled Budgets

### Better Care Fund

From the 1st April 2015, Bedfordshire CCG entered into a section 75 pooled fund agreement with Bedford Borough Council for the Better Care Fund (BCF). Bedford Borough Council provides financial management for this Pooled Fund.

The BCF is a policy initiative between local authorities, CCG's and NHS providers which has resulted in pooled funds being used to jointly commission or deliver health and social care. Apart from the integrated equipment store arrangements, the terms of the Section 75 agreement means that contracts are stand-alone with financial risk being retained by the lead body. In relation to the equipment store, the arrangement is hosted by Central Bedfordshire Council and accounted for as a pooled budget.

The Clinical Commissioning Group and Bedford Borough Council have signed a Framework Partnership Agreement relating to the BCF and commissioning of health and social care services. The agreement has established a Partnership Board with joint membership from each organisation. The Partnership Board determines which schemes are funded in the CCH locality. Each partner then manages the contracts with their own providers of Better Care Fund services and each partner retains any financial risk relating to those contracts.

2023/24	Better Care Fund	2024/25
£000		£000
(13,856)	Authority Funding	(11,255)
(5,980)	Partner Funding	(6,318)
<b>(19,836)</b>	<b>Total Pooled Funding</b>	<b>(17,574)</b>
14,009	Authority Expenditure	11,255
5,980	Partner Expenditure	6,318
<b>19,989</b>	<b>Expenditure</b>	<b>17,574</b>
<b>153</b>	<b>Net (Surplus)/Deficit on the Pooled Budget</b>	<b>0</b>
<b>153</b>	<b>Authority Share of the Net (Surplus) / Deficit</b>	<b>0</b>
<b>0</b>	<b>Partner Share of the Net (Surplus) / Deficit</b>	<b>0</b>
<b>(2,283)</b>	<b>Authority Share Accumulated (Surplus) / Deficit</b>	<b>(2,283)</b>
<b>(400)</b>	<b>Partner Share Accumulated (Surplus) / Deficit</b>	<b>(400)</b>

Includes all elements of the Better Care Fund, including Disabled Facilities Capital Grant and Winter Pressure Grant.

## Note 29 - Members' Allowances

31 March 2024		31 March 2025
£000		£000
761	Allowances	907
<b>761</b>	<b>Total Members' Allowances</b>	<b>907</b>

## Note 30 - Officers' Remuneration

The table below discloses details of individual remuneration for senior employees of the Authority. Staff whose salary is above £150,000 are named, otherwise they are listed by way of Job Title. Senior employees are defined as designated Head of Paid Service, (Chief Executive) and direct reports. The remuneration paid to the Council's senior employees is as follows:

<b>Senior Officer Remuneration</b>		<b>Salary, Fees and Allowances £</b>	<b>Pension Contributi on £</b>	<b>Total £</b>
<b>Chief Executive – Laura Church</b>	<b>2024/25</b>	<b>185,677</b>	<b>37,483</b>	<b>223,160</b>
	<b>2023/24</b>	173,773	35,163	208,935
<b>Director of Children's Services</b> Left 11 June 2023	<b>2024/25</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023/24</b>	23,675	4,746	28,421
<b>Director of Children's Services</b> Started in role 1 June 2023	<b>2024/25</b>	<b>118,282</b>	<b>24,633</b>	<b>142,915</b>
	<b>2023/24</b>	101,521	22,497	124,018
<b>Director of Adult Services – Kate Walker</b>	<b>2024/25</b>	<b>139,036</b>	<b>28,127</b>	<b>167,164</b>
	<b>2023/24</b>	137,924	27,358	165,282
<b>Director of Environment – Craig Austin</b>	<b>2024/25</b>	<b>159,588</b>	<b>0</b>	<b>159,588</b>
	<b>2023/24</b>	156,529	0	156,529
<b>Director of Public Health – Vicky Head</b>	<b>2024/25</b>	<b>137,165</b>	<b>27,895</b>	<b>165,060</b>
	<b>2023/24</b>	128,907	25,642	154,548
<b>Executive Director of Resources Assistant Chief Executive (Finance)</b>	<b>2024/25</b>	<b>120,506</b>	<b>24,662</b>	<b>145,168</b>
	<b>2023/24</b>	107,396	22,396	129,792
<b>Chief Officer for Legal, Performance and Democratic Services</b> Started 30 January 2023. Left 7 January 2024	<b>2024/25</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023/24</b>	73,351	14,589	87,940
<b>Interim Chief Officer for Legal, Performance and Democratic Services</b> Started in role 23 December 2023	<b>2024/25</b>	<b>103,505</b>	<b>20,766</b>	<b>124,272</b>
	<b>2023/24</b>	<b>27,641</b>	<b>5,501</b>	<b>33,142</b>
<b>Director of Corporate Services</b> Left 31 March 2024	<b>2024/25</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023/24</b>	136,372	27,127	163,498
<b>Total in 2024/25</b>		<b>963,759</b>	<b>163,567</b>	<b>1,127,326</b>
Total in 2023/24		1,067,089	185,017	1,252,106

The pension contribution is based on the Actuarial calculation of the current cost of pensions which is set out in the Triennial Valuation Report. This employer's contributions is 19.9% of salary costs for 2024/2025 for those paying into the Local Government Pension Scheme (19.9% in 2023/2024).

The role of Director of Public Health transferred to Local Government from 1 April 2013. The Director of Public Health is jointly funded with Central Bedfordshire Council and Milton Keynes Council. Bedford Borough Council contributes 27% of the post's salary (27% in 2023/2024).

The Council's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contribution) were paid the following amounts:

Officer Remuneration	Number of Employees	
	2023/24	2024/25
£50,001 to £55,000	81	127
£55,001 to £60,000	57	58
£60,001 to £65,000	25	70
£65,001 to £70,000	15	24
£70,001 to £75,000	4	25
£75,001 to £80,000	7	8
£80,001 to £85,000	8	10
£85,001 to £90,000	14	20
£90,001 to £95,000	4	7
£95,001 to £100,000	0	4
£100,001 to £105,000	9	4
£105,001 to £110,00	0	6
£110,001 to £115,000	3	1
£115,001 to £120,000	1	0
£120,001 to £125,000	1	2
£125,001 to £130,000	1	0
£130,001 to £135,000	0	0
£135,001 to £140,000	2	1
£140,001 to £145,000	0	2
£150,001 to £155,000	0	0
£155,001 to £160,000	1	0
£160,001 to £165,000	0	1
£170,001 to £175,000	0	0
£180,001 to £185,000	1	0
£185,001 to £190,000	0	1
<b>Total</b>	<b>234</b>	<b>371</b>

- The table includes those employees specifically reported in the previous table.
- Bands with no employees in that range are omitted.
- Teaching Staff (Community and VC Schools only) are included.
- Remuneration includes redundancy cost, but excludes pension contributions.

## Exit Packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
							£000	£000
£0 – £20,000	0	3	1	13	1	16	61	36
£20,001 – £40,000	0	0	0	4	0	4	21	97
£40,001 – £60,000	0	0	1	0	1	0	54	0
£60,001 – £80,000	0	0	0	2	0	2	70	144
£80,001 – £100,000	0	0	0	0	0	0	0	0
£100,001 – £150,000	0	0	0	1	0	1	0	138
£150,001 – £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	1	0	1	0	248	0
£250,001 - £300,000	0	0	0	0	0	0	0	0
£300,001 - £350,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>20</b>	<b>3</b>	<b>23</b>	<b>454</b>	<b>415</b>
Add: Amounts provided for in CIES not included in bandings							0	0
<b>Total cost included in CIES</b>								<b>415</b>

Exit package are recognised during the year in which the Council has agreed them, i.e. those packages for which the authority is demonstrably committed. This means there can be differences between amounts accrued and the actual cost incurred.

The 'other departures' column includes a number of voluntary redundancies, which mitigated the need for compulsory redundancies.

## Note 31 - External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors.

2023/24		2024/25
£000		£000
220	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	347
78	*Fees payable in respect of other services provided by external auditors during the year	58
<b>298</b>	<b>Total</b>	<b>405</b>

\*Includes £1,400 for the Teachers Pensions Audit, £33,400 for the Housing Benefit certification, £15,500 for a VFM Risk Assessment, £4,000 for the National Fraud Initiative Exercise and £3,500

for Pensions IAS 19 review work. (2023/2024: £31,000 for the Teachers Pensions Audit and £46,900 for the Housing Benefit certification).

## Note 32 - Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). The DSG is ringfenced and can only be applied to meet expenditure properly included in the schools budget, as defined in the School Finance and Early Years (England) Regulations 2023. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual schools budget (ISB), which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2024/25 are as follows:

Notes	DSG Receivable for 2024/25	Central	Individual	Total
		Expenditure	Schools Budget	
		£000	£000	£000
A	Final DSG for year before Academies recoupment			225,561
B	Academy figure recouped for year			(119,438)
C	Total DSG after academy recoupment			<b>106,123</b>
D	Plus: Brought forward from previous year			1,206
E	Less: Carry forward to following year (agreed in advance)			0
F	Agreed initial budgeted distribution in year	<b>31,935</b>	<b>75,394</b>	<b>107,329</b>
G	In year adjustments	237	251	488
H	Final budget distribution for year	<b>32,172</b>	<b>75,645</b>	<b>107,817</b>
I	Less: Actual central expenditure	(33,299)		(33,299)
J	Less: Actual ISB deployed to schools		(74,845)	(74,845)
K	Plus: Local Authority contribution for year	0	0	0
L	<b>Carry forward to 2025/26</b>	<b>(1,126)</b>	<b>800</b>	<b>(326)</b>
M	<b>Carry forward to 2025/26 already agreed</b>			<b>0</b>
N	<b>Total carry forward</b>			<b>(326)</b>

Notes	DSG Receivable for 2023/24	Central	Individual	Total
		Expenditure	Schools Budget	
		£000	£000	£000
A	Final DSG for year before Academies recoupment			203,180
B	Academy figure recouped for year			(104,389)
C	Total DSG after academy recoupment			<b>98,791</b>
D	Plus: Brought forward from previous year			3,007
E	Less: Carry forward to following year (agreed in advance)			
F	Agreed initial budgeted distribution in year	<b>31,835</b>	<b>69,964</b>	<b>101,798</b>
G	In year adjustments	0	110	110
H	Final budget distribution for year	<b>31,835</b>	<b>70,074</b>	<b>101,909</b>
I	Less: Actual central expenditure	(30,882)		(30,882)
J	Less: Actual ISB deployed to schools		(69,821)	(69,821)
K	Plus: Local Authority contribution for year	0	0	0
L	<b>Carry forward to 2024/25</b>	<b>953</b>	<b>253</b>	<b>1,206</b>
M	<b>Carry forward to 2024/25 already agreed</b>			<b>0</b>
N	<b>Total carry forward</b>			<b>1,206</b>

- A: Final DSG figure before any amount has been recouped from the authority, excluding the early years block adjustment.
- B: Figure recouped from the authority by the DfE for the conversion of maintained schools into academies and for high needs payments made by ESFA.
- C: Total DSG figure after academy and high needs recoupment.
- D: Figure brought forward
- E: Any amount which the authority decided after consultation with the schools forum to carry forward rather than distribute in the year.
- F: Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the schools forum.
- G: Changes to the initial distribution, for example, adjustments for exclusions, or final early years block adjustment.
- H: Budgeted distribution of DSG as at the end of the financial year.
- I: Actual amount of central expenditure items in the year
- J: Amount of ISB actually distributed to schools (ISB is regarded for DSG purposes as spent by the authority once it is deployed to schools' budget shares).
- K: Any contribution from the local authority in the year which will have the effect of substituting for DSG in funding the Schools Budget.
- L: In year carry-forward
- M: Plus/minus any carry-forward already agreed.
- N: Total is carry-forward on central expenditure plus carry-forward on ISB plus/minus any carry-forward already agreed.

These accounts have been produced in accordance with the Schools and Early Years Finance (England) Regulations 2020, which required local authorities to carry forward overspends of Dedicated School Grant (DSG)\*. Further regulations which came into force on 29 November 2020 and mandated that any deficit must **not** be charged to the local authorities' revenue account but instead must be recorded in a separate account solely for the purposes of recording deficits relating to its schools' budget.

These regulations also mean that the use of funding from the revenue account to make good any deficit can only be made upon approval from the Secretary of State. This reflects the statutory requirement that a deficit must be carried forward to be funded from future DSG income.

As of 31 March 2025, cumulative DSG deficit is £0.326m. The statutory instrument, which prevents the deficit from being offset against useable reserves, expires on 31 March 2026. These accounts have been prepared on the basis the Government will find a solution towards dealing with the overspends before then as part of the Comprehensive Spending Review due in the summer of 2025.

\*Such DSG deficits have accumulated over a number of years and are now common amongst upper tier councils responsible for SEND provision and have come about as a result of national policy decisions about the SEND system for which the grant is "far from sufficient to meet this demand".

## Note 33 - Grant Income

### Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

31 March 2024		31 March 2025
£000		£000
(6,937)	Revenue Support Grant	(7,396)
(14,249)	Section 31 Grant	(15,999)
(971)	New Homes Bonus Grant	(1,489)
(4,996)	DLUHC Local Authority Support Grant	(7,665)
(5,788)	Department for Transport	(4,322)
(4,140)	Community Infrastructure Levy	(2,674)
(11,220)	Section 106 Developer Contributions	(7,384)
(1,382)	Other Grants & Contributions	(24,834)
(11,555)	Department for Education	(18,023)
(3,442)	Department for Levelling Up, Housing and Communities	(6,088)
<b>(64,680)</b>	<b>Total</b>	<b>(95,874)</b>

### Credited to Services

31 March 2024		31 March 2025
£000		£000
(98,777)	Dedicated Schools Grants	(106,556)
(43,053)	Housing and Council Tax Benefit Administration and other Department for Work & Pensions Grants	(45,077)
(12,218)	Department for Education	(14,884)
(9,457)	Public Health Grant	(10,002)
(9,815)	Other Revenue Grants	(8,854)
(3,879)	Department for Health and Social Care	(4,642)
(10,442)	Department for Levelling Up, Housing and Communities Ministry for Housing Communities and Local Government	0 (11,538)
(21,599)	REFCUS - Department for Education	(25,556)
(369)	REFCUS – S106 Developer Contributions	(946)
(47)	REFCUS - Other Grants & Contributions	(26)
(439)	REFCUS – Historic England	(9)
	REFCUS - MHCLG	(3,215)
(1,925)	REFCUS – DLUHC	0
<b>(212,030)</b>	<b>Total</b>	<b>(231,305)</b>

## Grants Receipts in Advance (Capital Grants) - Long Term Liabilities

31 March 2024		31 March 2025
£000		£000
(84)	Homes & Community Agency - Growth Area Funding	(84)
(3,013)	Department for Education	(2,808)
(2,378)	Department for Transport	(2,326)
(16,243)	Section 106 Contributions	(16,230)
(408)	Section 278 Contributions	(470)
(2,283)	Better Care Fund	(2,440)
(5,897)	Department for Levelling Up, Housing and Communities	0
	Ministry for Housing Communities and Local Government	(6,071)
(885)	Salix Grant	0
	Department for Environment and Rural Affairs	(1,569)
(297)	Other Grants	(326)
<b>(31,489)</b>	<b>Total</b>	<b>(32,322)</b>

## Note 34 - Related Parties

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

### Central Government

Central Government has effective control over the general operations of the Council, as it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, Housing Benefits). Grants received from government departments are set out in the subjective analysis in **Note 8**. Grant receipts not yet recognised as income in the Comprehensive Income and Expenditure Statement is shown in **Note 33**.

### Members

Members of the council have direct control over the Council's financial and operating policies. The total of members' allowances paid is shown in **Note 29**. A number of members are school governors, appointed Town and Parish Council members or members of Bedfordshire Fire & Rescue Authority. Given the nature of governance arrangements in place they are not considered to control or significantly influence any of these public bodies. For transparency a list of members who are also on Parish Councils that have had transactions with Bedford Borough Council during 2024/2025 is listed below:

Member	Parish Council	Expenditure	Income
Councillor Abbott Councillor Walker	Oakley	£3,424	£10,352

Councillor Abbott	Pavenham	£988	£0
Councillor Coombes	Wixams	£2,085	£25,315
Councillor Gallagher Councillor Coombes	Shortstown	£433,233	£64,726
Councillor White Councillor Masud Councillor Meader Councillor Oliver	Kempston Town	£0	£16,073
Councillor Weir	Great Denham	£164,068	£17,383
Councillor Frost	Wilshamstead	£65,371	£0
Councillor Wheeler	Wootton	£2,968	£196,682
Councillor McMurdo	Sharnbrook	£93,685	£0
Councillor Foster	Bletsoe	£2,145	£0
Councillor Gribble	Renhold	£7,676	£0
Councillor Towler	Thurleigh	£39,048	£945
Mayor Wootton	Ravensden	£33,953	£485

There were no other interests of a material nature declared during the year.

### Officers

There were no interests of a material nature declared during the year. For completeness the following transactions with related parties did take place:

The Director of Children's Services is also a Director of The Association of Directors of Children's Services Ltd. The Council made payments of £2,350 to the body in 2024/2025 (£7,255 in 2023/2024). Bedford Borough Council charged The Association of Directors of Children's Services £ Nil (£900 in 2023/2024) for services provided.

### Other Public Bodies

The Council has one pooled budget arrangements which is detailed in **Note 28** relating to provision of Social Care Services. The Other Public Bodies involved in these arrangements are Bedfordshire Clinical Commissioning Group (BCCG) and Central Bedfordshire.

### Pension Fund

Pension Fund details are set out in the Pension Fund section of this document. The Pension Fund has a separate bank account and therefore has no cash deposited with the Council. The Council charged the Fund £2.264 million in 2024/2025 (£1.644 million in 2023/2024) for expenses incurred in administering the Fund.

As at 31 March 2025, the amount due to the Council from the Pension Fund was £0.539 million for administration services (£0.456 million as at 31 March 2024); with £2.580 million being owed by the Council to the Pension Fund for March pension contributions and the VAT which has been reclaimed on their behalf (£2.433 million as at 31 March 2024).

## Entities Controlled or Significantly Influenced by the Council

The Council has interests in entities that have the controlling nature of subsidiaries. There is one material trust funds, the House of Industry, which has its current assets, liabilities, income and expenditure disclosed within **Note 44**.

The following members have served as Trustees during the year:

Councillor Vann, Councillor Hendrixx, Councillor Thapar, Councillor Coombes, Councillor Spice, Councillor Meader, Councillor Atkins.

The most significant transaction during 2024/2025 between the Council and this entity was a payment of £0.064 million to House of Industry for the rent of St Peter's car park (£0.058 million in 2023/2024).

### Benedict Bedford Limited (BBL)

The Council's has a wholly owned housing development company called Benedict Bedford Limited (BBL). The following Council employees are also directors of the company during the year:

- Laura Church (Chief Executive)
- Craig Austin (Director of Environment)

There were no transactions between the Council and BBL.

## Note 35 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

31 March 2024		31 March 2025
£000		£000
<b>147,232</b>	<b>Opening Capital Financing Requirement</b>	<b>169,699</b>
	Capital Investment:	
77,881	Property Plant and Equipment	63,692
410	Investment Property	885
840	Intangible Assets	1,045
26,699	Revenue Expenditure Funded from Capital Under Statute	32,559
<b>105,830</b>	<b>Total Capital Spending</b>	<b>98,181</b>
	Sources of Finance:	
(3,616)	Capital receipts	(1,770)
(69,012)	Government Grants and other contributions	(83,327)
	Sums set aside from revenue:	
(5,877)	- Direct revenue contributions	(2,386)
(4,858)	- Minimum revenue provision	(4,211)
<b>(83,364)</b>	<b>Total Sources of Finance</b>	<b>(91,693)</b>
<b>169,699</b>	<b>Closing Capital Financing Requirement</b>	<b>176,187</b>

The below table explains how the movement in Capital Financing Requirement (CFR) has been financed by the Council. The level of unfinanced government supported CFR is expected to reduce year on year as no further government supported borrowing is anticipated. This means future capital investment will be financed by prudential borrowing or other forms of financial liabilities funded by Council Tax.

Explanation of movements in year		
31 March 2024		31 March 2025
£000		£000
2,489	Increase in underlying need to borrow (supported by government financial assistance)	2,389
19,960	Increase in underlying need to borrow (unsupported by government financial assistance)	4,098
<b>22,449</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>6,488</b>

## Note 36 - Leases

IFRS16 "Leases" has been adopted from 1<sup>st</sup> April 2024, making 2024/25 the first year of application to Council accounts.

### Council as Lessee

The Council's lease contracts cover operational land and buildings and equipment.

### Right of use assets

The table below shows the movement in the value of right of use assets held under lease by the Council:

	Land and Buildings	Equipment	Total
	£000	£000	£000
Balance as at 1 April 2024	6,780	140	6,919
Additions	0	0	0
Revaluations	(213)	0	(213)
Depreciation and amortisation	(34)	(47)	(81)
Balance as at 31 March 2025	6,533	93	6,626

### Transactions under leases

The Council incurred the below expenses and cash flows under leases held:

31 March 2024	Comprehensive Income and Expenditure statement	31 March 2025
£000		
79	Interest Expense on lease liabilities	49
138	Expense relating to short term leases	170
<b>217</b>	<b>Total</b>	<b>219</b>

31 March 2024	Cash flow statement	31 March 2025
£000		
<b>69</b>	<b>Minimum lease payments</b>	<b>31</b>

The lease liabilities are to be settled under the time bands listed below.

31 March 2024		31 March 2025
£000		£000
(108)	Less than one year	(89)
(228)	One to five years	(137)
(10)	More than five years	(8)
<b>(346)</b>	<b>Total</b>	<b>(234)</b>

### Council as Lessor

The Council leases out property under operating leases for income generation, provision of community based facilities, provision of employment, business development opportunities and provision of specific services on behalf of the Council.

The lease receivables are due to be collected under time bands listed below.

31 March 2024		31 March 2025
£000		£000
3,924	Less than one year	3,955
11,728	One to five years	11,337
80,443	More than five years	78,798
<b>96,095</b>	<b>Total</b>	<b>94,090</b>

## Note 37 - Impairment Losses

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. There were no impairments during 2024/25 or 2023/24.

## Note 38 - Pension Schemes Accounted for as Defined Contribution Schemes

### Teachers' Pension Schemes

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying

financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is not liable to the scheme for any other entities obligations under the plan.

Year	Retirement Contributions	Pensionable Pay
2023/2024 (actual)	£5.518 million	16.48%
2024/2025 (actual)	£5.838 million	16.48%
2025/2026 (estimate)	£5.937 million	16.48%

### NHS Pension Schemes

Public Health officers employed by the Council are members of the NHS Pension Scheme, administered by the Department for Health. The Scheme provides officers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Department for Health uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

Year	Retirement Contributions	Pensionable Pay
2023/2024 (actual)	£0.036 million	14.00%
2024/2025 (actual)	£0.038 million	14.00%
2025/2026 (estimate)	£0.038 million	14.00%

The Council is not liable to the scheme for any other entities obligations under the plan.

## Note 39 - Defined Benefit Pension Scheme

### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to disclose payments which will be due at the time an employee earns their future entitlement.

The Council participates in one post-employment scheme:

- The Local Government Pension Scheme (LGPS), administered locally by Bedford Borough Council – is a funded defined benefit salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. From 1 April 2014 the scheme became Career Average Scheme (CARE). Benefits earned in the scheme before 1 April 2014 are protected so benefits up to that date will be based on the scheme member's final year's pay.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there is no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.
- The Bedfordshire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Bedford Borough Council. Policy is determined in accordance with the Pensions Fund Regulations. Further details can be obtained from the Pension Fund accounts starting on page 95.
- The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policies note.

### Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

### Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The tables on the following page contain all transactions relating to the Bedfordshire Pension Fund for the 2024/2025 Financial Year and comparator figures for 2023/2024. This includes;

- Transactions included in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.
- Movements in the Pensions Net (Liability)/Asset

## General Fund Transactions

2023/24		2024/25	
Discretionary Benefits		Discretionary Benefits	
LGPS	Arrangements	LGPS	Arrangements
£000	£000	£000	£000
<b>Comprehensive Income and Expenditure Statement</b>			
<b>Cost of Services</b>			
	Service cost comprising:		
9,875	0 Current service cost	10,557	0
140	0 Past service cost	33	0
673	0 Administration expenses	627	0
	Other Operating Expenditure:		
	Financing and Investment Income and Expenditure		
2,639	0 Net interest expense	2,053	0
<b>13,327</b>	<b>0 Total charged to Surplus and Deficit on Provision of Services</b>	<b>13,270</b>	<b>0</b>
<b>Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement</b>			
£000	£000	£000	£000
	Re-measurement of the net defined benefit liability comprising:		
(38,243)	0 Return on plan assets (excluding the amount included in the net interest expense)	(669)	0
(6,992)	0 Actuarial gains and losses arising on changes in demographic assumptions	(1,539)	0
(4,344)	0 Actuarial gains and losses arising on changes in financial assumptions	(88,442)	0
1,945	0 Experience gain / loss on defined benefit obligation	(2,592)	0
34,554	0 Other movements in the liability / (asset)	97,872	0
<b>(13,080)</b>	<b>0 Total charged to Other Comprehensive Income and Expenditure Statement</b>	<b>4,630</b>	<b>0</b>
<b>247</b>	<b>0 Total charged to the Comprehensive Income and Expenditure Statement</b>	<b>17,900</b>	<b>0</b>

2023/24		2024/25	
Discretionary Benefits		Discretionary Benefits	
LGPS	Arrangements	LGPS	Arrangements
£000	£000	£000	£000
<b>Movement in Reserves Statement</b>			
(13,327)	0 Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(13,270)	0
	Actual amount charged against the general fund balance for pensions in the year:		
20,649	Employers' contributions payable to scheme	21,768	
0	690 Retirement benefits payable to pensioners	0	704

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real

cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The transactions in the preceding table have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

### Pensions Assets and Liabilities Recognised in the Balance Sheet

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

2023/24		Pensions Assets and Liabilities Recognised in the Balance Sheet		2024/25	
LGPS	Discretionary Benefits Arrangements			LGPS	Discretionary Benefits Arrangements
£000	£000			£000	£000
(613,170)	(6,120)	Present value of the defined obligation		(535,642)	(5,416)
582,112	0	Fair value of plan assets		608,097	0
<b>(31,058)</b>	<b>(6,120)</b>	<b>Value of Assets / (Liabilities)</b>		<b>72,455</b>	<b>(5,416)</b>
(34,554)	0	Impact of asset ceiling		(134,199)	0
<b>(65,612)</b>	<b>(6,120)</b>	<b>Net (liability) / asset arising from the defined benefit obligation</b>		<b>(61,744)</b>	<b>(5,416)</b>
2023/24		Movement in the Fair Value of Scheme Assets		2024/25	
LGPS	Discretionary Benefits Arrangements			LGPS	Discretionary Benefits Arrangements
£000	£000			£000	£000
<b>517,663</b>		<b>0 Opening fair value of scheme assets</b>		<b>582,112</b>	<b>0</b>
26,294		0 Interest income		29,630	0
		Re-measurement gain / (loss):			
38,243		0 - The return on plan assets, excluding the amount included in the net interest expense		669	0
20,649	690	Contributions from employer		21,768	704
4,859	0	Contributions from employees into the scheme		5,223	0
(28,625)	(690)	Benefits / transfers paid		(27,884)	(704)
(673)	0	Administration expenses		(627)	0
3,702	0	Other		(2,794)	0
<b>582,112</b>		<b>0 Closing value of scheme assets</b>		<b>608,097</b>	<b>0</b>

#### Reconciliation of change in impact of asset ceiling

	Year to 31 Mar 2025	Year to 31 Mar 2024
	£000s	£000s
<b>Opening impact of asset ceiling</b>	<b>34,554</b>	-
Interest on impact of asset ceiling	1,773	-
Actuarial losses / (gains)	97,872	34,554
<b>Closing impact of asset ceiling</b>	<b>134,199</b>	<b>34,554</b>

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. Calculations assume that:

- The Employer does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, our best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is

designed to provide a stable contribution rate, and also the lack of any other readily available figure. In broad terms the analysis shows that:

- The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £71,886k, the initial impact of the asset ceiling is £71,886k.
- The Employer is currently paying deficit contributions towards a funding deficit. The actuary have assessed this minimum funding requirement and calculate that it constitutes an onerous funding commitment. There is an additional liability of £62,313k to be recognised.
- The unadjusted funded surplus is £71,886k. There is an initial impact from an asset ceiling of £71,886k, plus an additional liability of £62,313k. The final funded net asset to be recognised is -£62,313k.
- In addition, there is an unfunded liability of £4,847k. The final deficit to be recognised is £67,160k.

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

2023/24		Movements in the Present Value of Scheme Liabilities	2024/25	
LGPS	Discretionary Benefits Arrangements		LGPS	Discretionary Benefits Arrangements
£000	£000		£000	£000
<b>(603,677)</b>	<b>(6,810)</b>	<b>Opening balance at 1 April</b>	<b>(613,170)</b>	<b>(6,120)</b>
(13,577)		0 Current service cost	(7,763)	0
(28,933)		0 Interest cost	(29,910)	0
(4,859)		0 Contributions from scheme participants	(5,223)	0
		Re-measurement gains and losses:		
6,992		0 - Actuarial gains / (losses) from changes in demographic assumptions	1,539	0
4,344		0 - Actuarial gains / (losses) from changes in financial assumptions	88,442	0
(1,945)		0 - Other	2,592	0
(140)		0 Past service cost	(33)	0
28,625	690	Benefits / transfers paid	27,884	704
<b>(613,170)</b>	<b>(6,120)</b>	<b>Balance as at 31 March</b>	<b>(535,642)</b>	<b>(5,416)</b>

### LGPS - Pension Scheme - Assets comprised of:

#### Fair value of scheme assets

2023/24				2024/25		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£000	£000	£000		£000	£000	£000
0	40,748	40,748	Cash and cash equivalents	0	18,243	18,243
0	29,106	29,106	UK Property	0	30,405	30,405
0	11,642	11,642	Private Equity	0	12,162	12,162
			Investment Funds			
0	46,569	46,569	Equities	0	54,729	54,729
0	0	0	Bonds			
0	75,675	75,675	Other	0	85,134	85,134
<b>0</b>	<b>122,244</b>	<b>122,244</b>	<b>Total Investment Funds</b>	<b>0</b>	<b>139,863</b>	<b>139,863</b>
0	52,390	52,390	Infrastructure	0	66,891	66,891
23,284	0	23,284	Absolute Return	24,324	0	24,324
0	273,593	273,593	Unit Trusts	0	285,806	285,806
29,106	0	29,106	UK Corporate Bonds	30,405	0	30,405
<b>52,390</b>	<b>529,722</b>	<b>582,112</b>	<b>Total Assets</b>	<b>54,729</b>	<b>553,368</b>	<b>608,097</b>

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. 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.

**The significant assumptions used by the actuary have been:**

2023/24	LGPS	2024/25
14%	Overall rate of return	5%
Mortality assumptions		
Longevity at retirement for current pensioners		
21.1	Men	21.1
23.9	Women	24.0
Longevity at retirement for future pensioners		
22.2	Men	22.2
25.5	Women	25.5
Other assumptions		
3.95%	Rate of increase in salaries	3.9%
2.95%	Rate of increase in pensions	2.9%
4.9%	Rate for discounting scheme liabilities	5.8%

**Impact of assumptions on the obligation:**

Increase by 1%	LGPS	Decrease by 1%
£000	Assumption	£000
20,068	Longevity +/- 1 year	(19,247)
476	Rate of increase in salaries	(471)
7,712	Rate of increase in pensions	(7,530)
(7,777)	Rate for discounting scheme liabilities	7,968

**Impact on the Authority's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Borough Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025. The authority anticipates to pay £21.545 million expected contributions to the scheme in 2025/2026.

**Note 40 - Contingent Liabilities**

At 31 March 2025, the Council had no known material contingent liabilities

**Note 41 - Contingent Assets**

At 31 March 2025, the Council had no known material contingent assets

## Note 42 - Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

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

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Treasury Team using policies approved by Full Council which are outlined in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

### Credit risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by recognised credit rating agencies. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swaps and equity prices.

The credit criteria in respect of financial assets held by the Council are detailed below:

- Council investments are with Central Government, other Local Authorities or institutions with a high credit rating
- The Council considers the ratings of each of the three major credit rating agencies (Fitch, Moody's and Standard & Poors) in establishing the criteria that shall apply to its investment decisions; the lowest of the three ratings shall apply
- Fitch credit rating or equivalent has been determined by the Council to be the minimum long term credit rating as "high".
- The maximum that may be deposited with each institution is £5 million for secured deposit takers and Money Market Fund, £3 million for unsecured deposit takers. Further details on Sector Limits are detailed in the Treasury Management Strategy. There is no limit on the level of investment with Central Government.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies is negligible although they are used from time to time. The risk of any institution failing to

make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

No counterparty credit limits were exceeded during the reporting period, and furthermore the Council would not expect any investment losses from counterparties of fixed term deposits or bonds.

The Council does not enter into customer credit arrangements, and as such a significant amount (£12.908 million) of the total balance of £16.456 million is past its due date for payment. The outstanding amount can be analysed by age as follows:

Credit Risk - Debtors	31 March 2024	31 March 2025
	£000	£000
Less than three months	7,435	3,547
Three to six months	1,509	1,627
Six months to one year	1,810	2,468
More than one year	6,903	8,813
	<b>17,657</b>	<b>16,456</b>

### Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available for operational requirements. If unexpected movements occur, the Council is capable of accessing short term funds from the money markets, Public Works Loan Board and other Local Authorities. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Nonetheless, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the proportion of its fixed rate borrowing during specified periods. This is achieved using a strategy to ensure that not more than 15% of long term borrowing are due to mature within any one year through a combination of careful planning of new loans and assessing the potential to make early repayments. The maturity analysis of financial liabilities is set out in the following table:

Liquidity Risk	31 March 2024	31 March 2025
	£000	£000
Less than one year	(35,056)	(83,724)
Between one and two years	(3,332)	(4,579)
Between two and five years	(11,198)	(8,517)
More Than 5 Years	(11,293)	(11,293)
More Than 10 years	(27,399)	(21,840)
	<b>(88,278)</b>	<b>(129,953)</b>

It is assumed that LOBO borrowing will continue to final maturity; these borrowings allow the lender to reset the interest rate on the loan every six months. The interest rate environment makes it more likely that the lender will exercise its option, and therefore trigger the repayment of these loans. The maturity data is therefore uncertain. All trade and other payables are due to be paid in less than one year.

Short Term Borrowing held of £79.893 million as at 31 March 2025 is for operational use, and is recycled on maturity in the liquid Local Authority market. As 2025/2026 evolves it is expected that some of this borrowing will be repaid, or on maturity replaced with longer term borrowing.

### Market risk - Interest rate risk

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

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Council's Annual Investment Strategy incorporates a number of measures to manage interest rate risk. The measures aim to keep a maximum of 75% of its net borrowings (by reference to the interest payable) in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs.

The Annual Investment Strategy incorporates active measures for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This strategy allows any adverse changes to be accommodated. The mechanism will also inform whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

<b>Market Risk - Interest Rate Risk</b>	<b>31 March 2025</b>
	<b>£000</b>
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(438)
Increase in government grant receivable for financing costs	(603)
	<hr/>
Impact on Surplus or Deficit on the Provision of Services	<b>(1,041)</b>

### Price risk

The council has investments in pooled funds through the purchase of shares in these funds, the shares are valued every business day and so the Council is exposed to movements in price.

The investments are classified as 'Fair Value through Profit and Loss', meaning that all movements in price will impact on gains and losses recognised in the Surplus or Deficit on the Provision of Services. However a statutory override reverses the impact on the General Fund unless the

investments are sold. A general shift of 5% in the general price of shares (positive or negative) would have resulted in a £1.618 million gain or loss being recognised in the Surplus or Deficit on the Provision of Services.

### Foreign exchange risk

The Council has no financial asset or liability held in foreign currency denominations, and thus has no exposure to any losses arising from movements in exchange rates.

## Note 43 - Heritage Assets Further Information

Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.

The Council has reviewed the definition of heritage assets and has concluded that the Council has the following heritage assets that required reviewing:

- Historical assets held in Archives
- Art Gallery and Museum artefacts
- Mayor's Chain, Mace, and other Civic Regalia.

In line with the accounting policy on Heritage Assets, the Council has separately recognised some of these assets on its Balance Sheet. Some assets have not been recognised in the Balance Sheet due to the disproportionate cost of obtaining valuations. In addition to the above, there are some assets previously classified as Community Assets, for example: Bromham Mill, Moot Hall and Castle Mound.

2023/24 £000		2024/25 £000
6,554	Opening Balance	6,554
0	Other Movements	0
<b>6,554</b>	<b>Closing Balance</b>	<b>6,554</b>

## Note 44 - Trust Funds

The main funds for which the council acts as sole trustee are listed below. These are not assets of the Council and have not been included in the Balance Sheet.

### 2024/25

Fund	Income	Expenditure	Assets	Liabilities
	£000	£000	£000	£000
House of Industry Estate	(275)	265	5,578	(136)
<b>Total</b>	<b>(275)</b>	<b>265</b>	<b>5,578</b>	<b>(136)</b>

### 2023/24

Fund	Income	Expenditure	Assets	Liabilities
	£000	£000	£000	£000
House of Industry Estate	(272)	205	5,582	(147)
<b>Total</b>	<b>(272)</b>	<b>205</b>	<b>5,582</b>	<b>(147)</b>

### House of Industry Estate

Set up under the Bedford Corporation Act 1964, the estate owns significant land holdings, income from which (together with investment income) is used to provide financial assistance within the scheme approved by the Charity Commissioners. The current scheme was effective from 1 April 1988.

## Collection Fund

These accounts represent the transactions of the Collection Fund, which is a statutory fund under the provisions of the Local Government Finance Acts 1988, 1992 and 2012, and covers all Council Tax and National Non-Domestic Rates (NNDR). Bedford Borough being the billing authority maintains this account.

31 March 2024				31 March 2025			
Business Rates	Council Tax	Total	Collection Fund	Business Rates	Council Tax	Total	
£000	£000	£000		£000	£000	£000	
<b>INCOME:</b>							
	(135,822)	(135,822)	Council Tax Receivable		(144,461)	(144,461)	
(74,211)		(74,211)	Business Rates Receivable	(88,492)		(88,492)	
(7,917)		(7,917)	Transitional Protection Payments Receivable	(2,446)		(2,446)	
<b>(82,128)</b>	<b>(135,822)</b>	<b>(217,950)</b>	<b>Total amounts to be credited</b>	<b>(90,939)</b>	<b>(144,461)</b>	<b>(235,400)</b>	
<b>EXPENDITURE:</b>							
<b>Apportionment of Previous Year Surplus/Deficit:</b>							
952		952	Central Government	1,457		1,457	
933	1,261	2194	Bedford Borough Council	1,427	1,084	2,511	
19	76	95	Bedfordshire Fire & Rescue Authority	29	67	96	
	175	175	Police & Crime Commissioner for Bedfordshire		154	154	
<b>Precepts, demands and shares:</b>							
40,691		40,691	Central Government	43,803		43,803	
39,877	110,577	150,454	Bedford Borough Council	42,927	118,469	161,396	
814	6,834	7,648	Bedfordshire Fire & Rescue Authority	876	7,182	8,058	
	15,741	15,741	Police & Crime Commissioner for Bedfordshire		16,889	16,889	
<b>Charges to Collection Fund:</b>							
252	232	483	Write-offs of uncollectable amounts	502	28	530	
672	663	1,335	Increase/(decrease) in allowance for impairment	(708)	995	287	
(4,508)		(4,508)	Increase/(decrease) in allowance for appeals	1,055		1055	
237		237	Charge to General Fund for allowable collection costs for non-domestic rates	238		238	
<b>Other transfers to General Fund in accordance with non-domestic rates regulations</b>							
782		782	Renewable Energy	2,751		2,751	
<b>80,721</b>	<b>135,559</b>	<b>216,280</b>	<b>Total amounts to be debited</b>	<b>94,358</b>	<b>144,869</b>	<b>239,226</b>	
Opening Balance Adjustment				15		15	
<b>(1,407)</b>	<b>(264)</b>	<b>(1,670)</b>	<b>(Surplus)/Deficit arising during the year including payment of previous year surplus</b>	<b>3,434</b>	<b>407</b>	<b>3,841</b>	
<b>(1,363)</b>	<b>(1,951)</b>	<b>(3,314)</b>	<b>(Surplus)/Deficit b/f at 1 April 2024</b>	<b>(2,769)</b>	<b>(2,215)</b>	<b>(4,984)</b>	
<b>(2,769)</b>	<b>(2,215)</b>	<b>(4,984)</b>	<b>(Surplus)/Deficit c/f at 31 March 2025</b>	<b>665</b>	<b>(1,808)</b>	<b>(1,143)</b>	

Both the billing authority and major preceptors (i.e. the Police & Crime Commissioner for Bedfordshire, Bedfordshire Fire & Rescue Authority and Central Government) are required to accrue the income for the year in their own accounts. Since the collection of Council Tax and NNDR are agency functions the cash collected, and any unpaid sums are shared proportionately between

the major preceptors and billing authority. This resulting debtor/creditor position is shown in each authority's accounts.

## Notes to the Collection Fund

Council Tax is charged on residential properties, which are classified into one of eight valuation bands based on estimated values at 1 April 1991.

The Band D tax is calculated by dividing the total amount of income required by the Collection Fund to pay the Borough, Police and Fire precepts for the forthcoming year by the Council tax base. The Council taxbase used in the calculation is based on the number of dwellings in each band on the Valuation list at the relevant date, adjusted for exemptions, discounts and disabled banding changes.

The tax base for 2024/2025 was 63,712 Band D equivalent properties, (62,443 equivalents for 2023/2024). The taxbase calculation is shown below:

### Note 1 - Council Tax Income

#### 2024/2025

Band	Valuation band limits £	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	
		No		No	
A	Up to and including - 40,000	6,466	6/9	4,311	
B	40,001 - 52,000	13,964	7/9	10,861	
C	52,001 - 68,000	16,501	8/9	14,667	
D	68,001 - 88,000	11,528	9/9	11,528	
E	88,001 - 120,000	8,156	11/9	9,969	
F	120,001 - 160,000	5,387	13/9	7,781	
G	160,001 - 320,000	3,073	15/9	5,122	
H	More than - 320,001	221	18/9	443	
				Adjustment	(970)
				Council tax base	<b>63,712</b>

#### 2023/24

Band	Valuation band limits £	Calculated no of dwellings	Ratio to band D	Equated No of dwellings	
		No		No	
A	Up to and including - 40,000	6,436	6/9	4,291	
B	40,001 - 52,000	13,868	7/9	10,786	
C	52,001 - 68,000	16,294	8/9	14,483	
D	68,001 - 88,000	10,862	9/9	10,862	
E	88,001 - 120,000	8,031	11/9	9,816	
F	120,001 - 160,000	5,301	13/9	7,656	
G	160,001 - 320,000	3,038	15/9	5,063	
H	More than - 320,001	219	18/9	437	
				Adjustment	(951)
				Council tax base	<b>62,443</b>

The total non-domestic rateable value on 31 March 2025 was £217.2 million (£213.1 million as at 31 March 2024).

The non-domestic rating multiplier and the small business non-domestic rating for 2024/2025 were as follows:

- a) Non-domestic rating multiplier 54.6 pence; and
- b) Small business non-domestic rating multiplier 49.9 pence.

A split of the Collection Fund balances share by major preceptor is shown below:

2023/2024		Analysis of Collection Fund Balance by Major Preceptors	2024/2025	
NNDR £000	Council Tax £000		NNDR £000	Council Tax £000
(1,385)		Central Government	332	
(1,358)	(1,849)	Bedford Borough Council	326	(1,503)
	(256)	Police & Crime Commissioner for Bedfordshire		(214)
(28)	(111)	Bedfordshire Fire & Rescue Authority	7	(92)
<b>(2,771)</b>	<b>(2,216)</b>	<b>Balance at 31 March</b>	<b>664</b>	<b>(1,809)</b>

**NNDR:** After allowing for a provision for appeals and uncollectable debts, the National Non-Domestic Rates (NNDR) element of the Collection Fund shows a deficit of £0.665 million as at 31 March 2025, this compares to a surplus of £2.769 million at 31 March 2024.

**Council Tax:** The Council Tax element of the Collection Fund currently holds a surplus of £1.808 million as at 31 March 2025, this compares to a surplus of £2.215 million at 31 March 2024.

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# Bedfordshire Pension Fund

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2024/2025

## Bedfordshire Pension Fund 2024/2025

### Fund Account for the Year Ended 31 March 2025

2023/2024 £000		2024/2025 £000	See Note
	<b>Contributions and Benefits</b>		
203,659	Contributions	160,306	7
17,421	Transfers in from other pension funds	17,377	8
	Other Income	0	
<b>221,080</b>		<b>177,683</b>	
(129,057)	Benefits	(143,096)	9
(20,799)	Payments to and on account of leavers	(22,230)	10
<b>71,224</b>	<b>Net additions from dealings with members</b>	<b>12,357</b>	
(23,579)	Management Expenses	(27,302)	11
<b>47,645</b>	<b>Net additions including Management Expenses</b>	<b>(14,945)</b>	
	<b>Returns on Investments</b>		
34,418	Investment income	43,772	12
0	Taxes on income	0	
357,341	Profit and losses on disposal of investments and changes in value of investments	157,397	13b
<b>391,758</b>	<b>Net return on investments</b>	<b>201,169</b>	
439,403	Net increase in the fund during the year	186,224	
3,028,870	Opening Net Assets of the Fund	3,468,273	
<b>3,468,273</b>	<b>Closing Net Assets of the Fund</b>	<b>3,654,497</b>	

## Net Assets Statement for the Year Ended 31 March 2025

31 March 2024 £000		31 March 2025 £000	<i>See note</i>
1,182	Long Term Investment Assets	1,182	13a
<b>1,182</b>	<b>Total Long Term Investment Assets</b>	<b>1,182</b>	
3,363,276	Investment Assets	3,565,169	13a
(4,158)	Investment Liabilities	(16,398)	13a
<b>3,359,117</b>	<b>Total Net Current Investments</b>	<b>3,548,771</b>	
<b>3,360,299</b>	<b>Total Net Investments</b>	<b>3,549,953</b>	
0	Long Term Assets	0	18
109,695	Current Assets	108,491	19
(1,720)	Current Liabilities	(3,947)	20
<b>3,468,273</b>	<b>Net assets of the fund available to fund benefits at the end of the Reporting Period</b>	<b>3,654,497</b>	

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed in Pension Note 17a.

I certify that the Net Assets Statement represents a true and fair view of the Pensions Funds financial position as at 31 March 2025.

Signed:



Date: 27 Feb 2026

Julie McCabe, Executive Director of Resources

## Notes to the Accounts

### 1) Description of the Pension Fund

Bedfordshire Pension Fund (the Fund) is part of the Local Government Pension Scheme and is administered by Bedford Borough Council. The Borough Council is the reporting entity for the Fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Bedfordshire Pension Fund Annual Report & Accounts 2024/2025 and the underlying statutory powers underpinning the scheme, namely the Superannuation Act 1972 and the Local Government Pension Scheme (LGPS) Regulations.

The Fund is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The LGPS (Administration) Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds) Regulations 2016 (as amended)

Local Government Pension Funds are required to be funded, being financed by contributions from employees, employers and by earnings from investments. Triennial actuarial valuations are undertaken and employers' contributions are reviewed to ensure that the Fund's assets are sufficient to meet its funding targets.

#### *Membership of the Fund*

The Fund is a contributory defined benefit pension scheme providing pensions and other benefits for pensionable employees of Bedford Borough, Central Bedfordshire and Luton Borough Councils and a range of other scheduled and admitted bodies within the Bedfordshire area. Teachers, Police Officers and Firefighters are not included as they come within other national pension schemes.

Organisations participating in the Fund include:

**Scheduled bodies** - local authorities and similar bodies whose staff are automatically entitled to be members of the Fund;

**Admitted bodies** - other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

As at 31 March 2025, the total number of employees (i.e. from Councils within Bedfordshire and the other scheduled and admitted bodies) contributing to the Fund was 24,640 (24,359 - 31 March 2024), the number of pensioners was 22,722 (21,720) and the number of deferred pensioners was 34,899 (34,903).

A full list of participating bodies as at 31 March 2025 is included in the Bedfordshire Pension Fund Annual Report.

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside of the scheme.

### *Core Benefits of the Scheme*

From 1 April 2014 the scheme became a Career Average Revalued Earnings (CARE) scheme. Benefits earned in the scheme before 1 April 2014 are protected so benefits up to that date will be based on the scheme member's final year's pay.

The benefits payable from the Fund are set out in the Local Government Pension Scheme Regulations 2013, as amended, and in summary are:

- A guaranteed annual pension based on the pay received during the year and revalued in line with earnings.
- An optional tax-free lump sum by commuting part of the pension.
- Life assurance of three times the members' yearly pay from the day they join the scheme.
- Pensions for spouses, civil registered partners, qualifying cohabiting partners and eligible children on the death of the member.
- An entitlement paid early if a member has to stop work permanently due to permanent ill-health.
- Inflation-proof preserved pensions and pensions in payment.
- Pensions payable from age 55, including (with the employer's consent) flexible retirement and early retirement.
- The option to contribute a reduced contribution for a reduced benefit - the 50/50 option.

*NB scheme members must have a minimum of two years' membership to qualify for a pension*

Full details of the contributions payable by employees and benefits receivable can be found in the Fund's handbook "Guides to the Local Government Pension Scheme", available from Borough Hall and available in full or in summary on the Fund's website.

[http://www.bedspensionfund.org/active\\_members/guides\\_to\\_the\\_lgps.aspx](http://www.bedspensionfund.org/active_members/guides_to_the_lgps.aspx)

## 2) Basis of Preparation

The accounts are compliant with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025 (the Code), which is based on International Financial Reporting Standards (IFRS) as amended for the UK public sector. The accounts of the Pension Fund have also been prepared to meet the requirements of the Local Government Pension Scheme (Administration) Regulations 2013 and in accordance with the Statement of Recommended Practice on Financial Reports of Pension Schemes.

The accounts summarise the transactions and net assets of the Fund and do not take account of liabilities to pay pensions and other benefits in the future. They should therefore be read in conjunction with the actuarial reports which take account of future liabilities.

The Administering Authority has carried out an assessment and is satisfied that Bedfordshire Pension Fund is a going concern. The Fund value at 31 March 2025 stood at £3.65 billion, a 5% increase from the balance at 31 March 2024.

The Fund remains cashflow positive in 2024/2025 despite the significant level of prepayments made in the first valuation year. Cash held at the Balance Sheet date stood at £94.87 million, equivalent to 2.5% of the Fund Assets. In addition, the Fund does not have any external borrowing and held £2.84 billion in Level 1 and Level 2 investment assets which could be realised within 3 months if required. Therefore, the fund is satisfied it has sufficient resources to meet its obligations to pay pensions throughout the going concern period which is at least 12 months from the date of authorisation of these accounts. For this reason, alongside the statutory guidance, these financial statements have been prepared on a going concern basis.

### 3) Significant Accounting Policies

#### *Contribution Income*

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate. Employer deficit funding contributions are accounted for on the dates on which they are due under the schedule of contributions set by the actuary or on receipt if earlier than the due date. Employer's augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in-year but unpaid is classed as a current financial asset.

#### *Benefits Payable*

All pensions and lump sum payments have been included on an accruals basis other than some death gratuities. The payment of some death gratuities is dependent upon the receipt of probate or letters of administration. Where death occurs before the end of the year but probate or letters of administration have not yet been received by the balance sheet date, then no accrual is made. The departure from the accruals basis for these death gratuities does not materially affect the reported figure.

Lump sums are accounted for in the period in which the member becomes a pensioner. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Only benefits paid under local government pension scheme regulations are included in the Fund account. For administrative ease, the Fund also pays out compensatory added years benefits on behalf of scheme employers; these are refunded in full by the employer. Both the benefits paid and the subsequent reimbursements are excluded from the Fund account.

#### *Refunds of Contributions*

Refunds have been included on a cash basis. Accounting for refunds on an accruals basis would not materially alter the reported figure.

### *Transfer Values*

Transfer values to and from other schemes have been included on a cash basis. Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

### *Management Expenses*

The Code of Practice does not require any breakdown of Pension Fund administrative expenses. However, in the interests of greater transparency, the Fund discloses its management expenses in accordance with CIPFA Guidance on Accounting for LGPS management expenses.

### *Administrative Expenses*

The administration of the Fund is undertaken by the Borough Council in its role as administering authority. The Council's costs of administering the scheme, agreed by the relevant committees of both the Council and the Pension Fund, are charged to the Fund.

### *Oversight and Governance Costs*

All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

### *Investment Management Expenses*

Fees of the external investment managers and the Fund's custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the assets under their management and therefore increase or reduce as the value of these investments change. In addition, the Fund has negotiated with the following managers that an element of their fee be performance-related.

- Patria – Private Equity
- Pantheon Ventures – Real Assets

Where an investment manager's fee note has not been received by 31 March 2025, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the Fund account.

Following guidance from CIPFA, Accounting for Local Government Pension Scheme Management Expenses, the Fund extracts transactional costs from managers where the information is available to make an estimate or where this is readily available from the Custodian. This is included within the investment management costs. For the Property manager, management costs have been extracted reflecting the unit management costs based on the Net Asset Value (NAV) of each separate fund.

### *Investments*

Investments are shown in the accounts at market value, determined as follows:

- (i) Quoted securities are valued by reference to market bid price at the close of business on 31 March 2025.
- (ii) Traded futures are valued by reference to their exchange prices as at 31 March 2025.

- (iii) Other unquoted securities are valued having regard to latest dealings, professional valuations, asset values and other appropriate financial information.
- (iv) Unit trust and managed fund investments are valued by reference to the latest bid prices quoted by their respective managers prior to 31 March 2025. If bid prices are unavailable, mid prices or net asset value will be used.
- (v) Assets, including investments, denominated in foreign currencies are valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2025. Exchange gains and losses arising from movements in current assets and liabilities are included in the Fund account for the year.

Investment assets include cash balances held by the Fund managers and debtor and creditor balances in respect of investment activities.

#### *Investment Income*

- (i) Interest income is recognised in the Fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.
- (ii) Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- (iii) Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.
- (iv) Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

#### *Acquisition Costs of Investments*

Where shown, the cost of investments includes direct costs of acquisition.

#### *Additional Voluntary Contribution (AVC) Investments*

Bedford Borough Council as the administering authority has arrangements with its AVC providers to enable employees to make AVCs to supplement their pension benefits. AVCs are invested separately from the Fund's main assets and the assets purchased are specifically allocated to provide additional benefits for members making AVCs. The value of AVC assets is not included in the Fund's net asset statement.

#### *Taxation*

The Fund is an exempt approved Fund under section 1(1) of Schedule 36 of the Finance Act 2004, and as such is exempt from tax on capital gains and from UK income tax on interest receipts. As the Council is the administering authority for the Fund, VAT is recoverable on all expenditure where appropriate, and all of the Fund's income is outside the scope of VAT.

The Fund is liable to tax at a rate of 20% on small pensions that have been compounded into a lump sum.

The Fund is exempt from United States withholding tax.

Where the Fund is subject to other foreign tax, income is shown as the grossed-up figure and the tax withheld as an item of expenditure.

#### *New Accounting Standards*

For any new accounting standard or policy introduced, the Pension Fund is required to provide information explaining how these changes have affected the accounts.

There were no new accounting standards introduced in 2024/2025 affecting the Pension Fund.

#### *Accounting Standards that have been issued but have not yet been adopted*

The Fund is required to disclose information relating to the impact of the accounting change on the financial accounts as a result of the adoption by the Code of a new standard that has been issued, but is not yet required to be adopted by the Pension Fund. There are no such disclosures.

#### *Events after the reporting date*

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and
- b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

An example of an adjusting event would be if new information came to light regarding the methodology employed in the valuation of an asset.

## 4) Critical Judgements in Applying Accounting Policies

### *Pension Fund Liability*

The Pension Fund liability is calculated every three years by the Fund Actuary in line with the regulations, with annual updates in the intervening years. The methodology used is in accordance with International Accounting Standard (IAS) 19. Assumptions underpinning the valuations are agreed between the Fund and the Actuary and are summarised in Note 17 Funding Arrangements – Actuary Statement. This estimate is subject to significant variances based on changes to the underlying assumptions.

Actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

### *Unquoted Investments*

The fair value of unquoted securities is estimated by the Fund's investment managers and subject to the professional judgement and assumptions used by those managers. It is considered that changes in those assumptions would not produce significant variations in the value of those assets other than normal market fluctuations.

## 5) Assumptions made About the Future and Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the net asset statement at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming year are as follows:

### Estimation Uncertainties

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rates used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice on the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability. An increase in assumed earnings would increase the value of liabilities and an increase assumed life expectancy would increase the liability. A Sensitivity Analysis is shown in Note 17a.
Pooled Property	Property investments are valued at fair value in accordance with the Royal Institute of Chartered Surveyors (RICS) guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	There is a risk that these may be over or understated in the accounts.
Alternatives (Private Equity, Infrastructure and Private Credit)	Alternatives or unquoted investments are valued at fair value e.g Private equity investments are valued at fair value in accordance with the British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in their valuation.	There is a risk that these may be over or understated in the accounts. A Sensitivity Analysis on Level 3 assets is shown in Note 14.

## 6) Events after the Reporting Date

It was agreed at the January 2025 Pension Fund Committee that an investment would be made in the Border to Coast Multi-Factor Equity Index Fund and it would be funded from the existing allocations to the BlackRock ACS Global Low Carbon Fund and BlackRock Emerging Market Fund. This transaction took place on 8th May 2025 and amounted to c£700 million.

## 7) Contributions receivable

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Contributions</b>	<b>£000</b>
34,138	Employees' normal contributions	36,318
398	Employees' additional voluntary contributions	440
114,152	Employers' normal contributions	119,617
54,617	Employers' deficit funding	3,225
354	Employers' augmentation contributions	706
<b>203,659</b>		<b>160,306</b>
	<b>Further analysed as:</b>	
37,238	Administering authority	21,327
158,617	Scheduled bodies	130,781
7,804	Admitted and other bodies	8,198
<b>203,659</b>		<b>160,306</b>

Employers' augmentation contributions relate to payments for the cost of enhanced benefits and early retirements. Refunded payments from employers in respect of compensatory added years' benefits are excluded from the accounts.

## 8) Transfers In from Other Pension Funds

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Transfers in from other pension funds</b>	<b>£000</b>
0	Transfers in from other pension funds - bulk	0
17,421	Individual transfers from other pension funds	17,377
<b>17,421</b>		<b>17,377</b>

## 9) Benefits Payable

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Benefits</b>	<b>£000</b>
105,636	Pensions	112,959
19,762	Commutations of pensions and lump sum retirement benefits	25,740
3,660	Lump sum death benefits	4,397
<b>129,057</b>		<b>143,096</b>
	<b>Further analysed as:</b>	
17,170	Administering authority	19,286
99,646	Scheduled bodies	109,158
12,241	Admitted and other bodies	14,652
<b>129,057</b>		<b>143,096</b>

Payments to employees in respect of compensatory added years benefits are excluded from the accounts.

## 10) Payments To and On Account of Leavers

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Payments to and on account of leavers</b>	<b>£000</b>
493	Refunds of contributions	302
0	Transfers to other schemes – bulk	1,864
20,238	Transfers to other schemes – individuals	20,005
68	Annual Allowance - Tax Charge	59
0	Lifetime Allowance - Tax Charge	0
<b>20,799</b>		<b>22,230</b>

The Annual Allowance Tax Charge is on behalf of individual scheme members who exceeded the annual allowance and used the Scheme Pays facility which permits members to opt for the LGPS to pay the tax charge, which is then recovered from the member's pension benefits.

The Lifetime Allowance Tax Charge is on behalf of individual members who exceeded the lifetime allowance and used the Scheme Pays facility which permits members to opt for the LGPS to pay the tax charge, which is then recovered from the member's pension benefits.

## 11) Management Expenses

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Management Expenses</b>	<b>£000</b>
2,372	Administrative Costs	2,328
20,474	Investment Management Expenses	23,768
733	Oversight and Governance Costs	1,206
<b>23,579</b>		<b>27,302</b>

A further breakdown of the investment management expenses is shown below:

2023/2024				2024/2025		
Total £000	Management £000	Performance £000	Investment Management Expenses	Total £000	Management £000	Performanc e £000
213	213	0	Equities - Unitised Insurance Policies	305	305	0
41	41	0	Equities - ACS/Unit Trust	95	95	0
781	781	0	Equities - Managed Fund	457	457	0
378	378	0	Fixed Income - ACS/Unit Trust	396	396	0
1,709	1,709	0	Multi Asset Credit - ACS/Unit Trust	1,834	1,834	0
1,200	1,200	0	Absolute Return - ACS/Unit Trust	797	797	0
1,546	1,546	0	Property Unit Trusts	2,091	1,890	201
1,218	1,218	0	Private Equity	1,941	1,941	0
2,541	2,424	117	Private Credit	3,093	2,742	351
8,802	7,845	957	Infrastructure	10,666	8,632	2,034
347	347	0	Climate Opportunities	442	442	0
1,542	1,542	0	Pool Charges	1,507	1,412	95
152	152	0	Custody Fees	136	136	0
4	4	0	Other	8	8	0
<b>20,474</b>	<b>19,400</b>	<b>1,074</b>		<b>23,768</b>	<b>21,087</b>	<b>2,681</b>

## 12) Investment Income

2023/2024 £000	Investment Income	2024/2025 £000
30,770	Income from pooled investment vehicles	37,381
3,648	Interest on cash deposits	6,391
<b>34,418</b>		<b>43,772</b>

### 13) Investments

<b>13a Investments 2024/2025</b>		
<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>	<b>Investments</b>	<b>£000</b>
	<b>Long Term Investments</b>	
1,182	Pool Share Capital	1,182
<b>1,182</b>	<b>Total Long Term Investments</b>	<b>1,182</b>
	<b>Pooled Investment Funds</b>	
937,878	Equities - Unitised insurance policies	994,578
694,324	Equities - ACS/Unit Trust	726,706
265,089	Equities - Managed Fund	277,048
170,567	Fixed income - ACS/Unit Trust	184,395
357,316	Multi Asset Credit - ACS/Unit trust	380,988
149,785	Absolute Return - ACS/Unit Trust	154,340
169,962	Property Unit Trusts	177,618
60,584	Private Equity	79,542
100,330	Private Credit	122,729
323,897	Infrastructure	409,999
10,439	Climate Opportunities	15,926
<b>3,240,171</b>	<b>Total Pooled Investment Funds</b>	<b>3,523,869</b>
	<b>Cash Deposits &amp; Other Investment Assets</b>	
122,254	Cash deposits	40,809
850	Amount receivable for sales of investments	491
<b>123,104</b>	<b>Total Cash and Other Investment Assets</b>	<b>41,300</b>
	<b>Investment Liabilities</b>	
(4,158)	Amount payable for purchases of investments	(16,398)
<b>(4,158)</b>	<b>Total Other Liabilities</b>	<b>(16,398)</b>
<b>3,360,299</b>	<b>Total</b>	<b>3,549,953</b>

### 13b Value of Investments 2024/2025

	Market value as at 31 March 2024	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Market value as at 31 March 2025
2024/2025					
<b>Long Term Investments</b>					
Pool Share Capital	1,182	0	0	0	1,182
<b>Total Long Term Investments</b>	<b>1,182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,182</b>
<b>Pooled Investment Funds</b>					
Equities - Unitised insurance policies	937,878	0	0	56,700	994,578
Equities - ACS/Unit Trust	694,324	0	0	32,382	726,706
Equities - Managed Fund	265,089	0	(457)	12,416	277,048
Fixed income - ACS/Unit Trust	170,567	0	(710)	14,538	184,395
Multi Asset Credit - ACS/Unit trust	357,316	8,841	(1,834)	16,665	380,988
Absolute Return - ACS/Unit Trust	149,785	0	(796)	5,351	154,340
Property Unit Trusts	169,962	7,606	(3,723)	3,773	177,618
Private Equity	60,584	26,581	(13,550)	5,927	79,542
Private Credit	100,330	28,989	(6,443)	(147)	122,729
Infrastructure	323,897	93,650	(17,444)	9,896	409,999
Climate Opportunities	10,439	7,730	(2,366)	123	15,926
<b>Total Pooled Investment Funds</b>	<b>3,240,171</b>	<b>173,397</b>	<b>(47,323)</b>	<b>157,625</b>	<b>3,523,869</b>
<b>Derivative Contracts</b>	<b>0</b>	<b>13</b>	<b>23</b>	<b>(36)</b>	<b>0</b>
<b>Total</b>	<b>3,241,353</b>	<b>173,410</b>	<b>(47,300)</b>	<b>157,588</b>	<b>3,525,051</b>
<b>Other Investment Balances</b>					
Cash deposits	122,254			(191)	40,809
Amount receivable for sales of investments	850				491
Amount payable for purchases of investments	(4,158)				(16,398)
<b>Total Net Investments</b>	<b>3,360,299</b>				<b>3,549,953</b>

<b>13.c Investments Analysed by Fund Manager</b>				
<b>2023/2024</b>		<b>Fund Manager</b>	<b>2024/2025</b>	
<b>£000</b>	<b>%</b>		<b>£000</b>	<b>%</b>
		<b>Investments Managed by BCPP</b>		
10,439	0.31%	BCPP - Global Equities	15,926	0.45%
265,089	7.89%	BCPP - Real Estate	277,048	7.80%
255,184	7.59%	BCPP - Multi Asset Credit	300,960	8.48%
209,210	6.23%	BCPP – Private Equity	224,785	6.33%
100,330	2.99%	BCPP - Private Credit	122,729	3.46%
8,698	0.26%	BCPP – Climate Opportunities	28,214	0.80%
1,334	0.04%	BCPP - Infrastructure	8,169	0.23%
<b>850,284</b>	<b>25.30%</b>	<b>BCPP Total</b>	<b>977,831</b>	<b>27.55%</b>
		<b>Investments managed outside of BCPP</b>		
684,535	20.37%	Legal & General – Global Equities	720,648	20.30%
71,652	2.13%	Legal & General – UK Equities FTSE 250	72,341	2.04%
181,691	5.41%	Legal & General – UK Equities Future World	201,589	5.68%
599,329	17.84%	BlackRock – Global Equities	625,617	17.62%
94,995	2.83%	BlackRock – Emerging Markets Equities	101,089	2.85%
168,628	5.02%	CBRE – Indirect Property	169,449	4.77%
170,567	5.08%	Insight – Responsible Horizons Credit	184,395	5.19%
149,785	4.46%	Newton – Absolute Return Multi-Asset	154,340	4.35%
51,886	1.54%	Patria (was abrdn) – Private Equity	51,328	1.45%
20,248	0.60%	Pantheon – Real Assets	17,788	0.50%
148,106	4.41%	PIMCO – Diversified Income Fund	156,203	4.40%
48,466	1.44%	Gresham House – Infrastructure	91,251	2.57%
1,182	0.04%	Pool Share Capital – Equities	1,182	0.03%
<b>2,391,070</b>	<b>71.16%</b>	<b>Unpooled Total</b>	<b>2,547,220</b>	<b>71.75%</b>
7,096	0.21%	Cash held with Fund Managers	1,978	0.06%
850	0.02%	Debtors due from Fund Managers	491	0.01%
(4,158)	(0.12%)	Creditors due to Fund Managers	(16,398)	(0.46%)
<b>3,788</b>	<b>0.11%</b>	<b>Due to / (from) Fund Managers Total</b>	<b>(13,929)</b>	<b>(0.39%)</b>
<b>115,158</b>	<b>3.43%</b>	<b>Cash held with Fund Custodian</b>	<b>38,831</b>	<b>1.09%</b>
<b>3,360,299</b>	<b>100.00%</b>	<b>Total Net Investments</b>	<b>3,549,953</b>	<b>100.00%</b>

### 13.d Investments exceeding 5% of net assets (excluding UK Government Securities)

2023/2024	% of Total	Investment	2024/2025	% of Total
£000	Market Value		£000	Market Value
684,535	19.74%	LGIM Future World Global Equity	720,648	19.72%
599,329	17.28%	BlackRock ACS World Low Carbon Equity Fund	625,617	17.12%
255,184	7.36%	Border to Coast Infrastructure	300,960	8.24%
265,089	7.64%	Border to Coast Global Equity Alpha	277,048	7.58%
209,210	6.03%	Border to Coast Multi Asset Credit	224,785	6.15%
181,691	5.24%	LGIM UK Future World Equity Index	201,589	5.52%
*	*	Insight Responsible Horizons		5.05%
		184,395		

\* This fund was less than 5% of the net assets in 2023 2024 therefore comparatives have not been included.

### 13.e Stock Lending

The Fund did not undertake any stock lending during 2024/2025.

### 14) Fair Value – Basis of Valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value.

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
Market quoted Investments	1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Cash balances, money market funds and investment income due but not yet paid	1	Expected maturity date of less than two months, therefore, Fair Value is the carrying value of these assets and liabilities	Not required	Not required

<b>Asset Type</b>	<b>Level</b>	<b>Valuation Basis</b>	<b>Observable and Unobservable Inputs</b>	<b>Key Sensitivities</b>
<b>Non-investment current assets and current liabilities (carried at amortised cost)</b>	1	Short-term transactions and high degree of certainty of settlement value. Fair Value is carrying value at the year-end date	Not required	Not required
Pooled investments - overseas unit trusts	2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Not required
Pooled investments - property funds quoted	2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Not required
<b>Pooled investments - property funds unquoted</b>	3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV - based principal set on a forward pricing basis	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
<b>Alternative Assets (Private Equity, Private Credit and Infrastructure)</b>	3	Comparable valuation of similar companies e.g. in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines (2018)</i>	EBITDA multiple revenue multiple discount for lack of marketability control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts

#### *Sensitivity of Assets Valued at Level 3*

Based on an analysis of historical data, current market trends, information supplied by the investment managers and the Pension Fund policy documents, the Fund has determined that the valuation methods described below are likely to be accurate to within the following range, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

<b>14a. Level 3 Assets*</b>	<b>Valuation Range</b>	<b>Value at 31 March 2025</b>	<b>Valuation Increase</b>	<b>Valuation Decrease</b>
	<b>+/-</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Private Equity	15	79,542	91,473	67,611
Infrastructure	15	409,999	471,499	348,499
Property	10	80,813	88,894	72,732
Private Credit	15	122,729	141,138	104,320
Infrastructure	15	15,926	18,315	13,537
		<b>709,009</b>	<b>811,320</b>	<b>606,698</b>

*\*Note this table excludes equity holdings in Border to Coast as there is no market for these shares.*

#### *Fair Value Hierarchy*

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

### Level 1

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

### Level 2

Assets and liabilities at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

### Level 3

Assets and liabilities at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

The following table provides the analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

	31 March 2025			Total £000
	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With significant unobservable inputs Level 3 £000	
<b>Financial Assets</b>				
Financial assets at fair value through profit and loss	0	2,814,860	710,191	<b>3,525,051</b>
Financial assets at amortised cost	41,300	0	0	<b>41,300</b>
<b>Total Financial Assets</b>	<b>41,300</b>	<b>2,814,860</b>	<b>710,191</b>	<b>3,566,351</b>
<b>Financial Liabilities</b>				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(16,398)	0	0	<b>(16,398)</b>
<b>Total financial liabilities</b>	<b>(16,398)</b>	<b>0</b>	<b>0</b>	<b>(16,398)</b>
<b>Net financial assets</b>	<b>24,902</b>	<b>2,814,860</b>	<b>710,191</b>	<b>3,549,953</b>

**Table 14.b (ii) Analysis of Asset Levels**

**31 March 2024**

	<b>Quoted Market Price Level 1 £000</b>	<b>Using Observable Inputs Level 2 £000</b>	<b>With significant unobservable inputs Level 3 £000</b>	<b>Total £000</b>
<b>Financial Assets</b>				
Financial assets at fair value through profit and loss	0	2,669,542	571,812	<b>3,241,353</b>
Financial assets at amortised cost	123,104	0	0	<b>123,104</b>
<b>Total Financial Assets</b>	<b>123,104</b>	<b>2,669,542</b>	<b>571,812</b>	<b>3,364,458</b>
<b>Financial Liabilities</b>				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(4,158)	0	0	<b>(4,158)</b>
<b>Total financial liabilities</b>	<b>(4,158)</b>	<b>0</b>	<b>0</b>	<b>(4,158)</b>
<b>Net financial assets</b>	<b>118,946</b>	<b>2,669,542</b>	<b>571,812</b>	<b>3,360,299</b>

The following assets have been carried at cost. (£1,182,000 in 2023/2024):

**Table 14.c Share Capital**

<b>Values at 31 March 2025</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>	<b>Total £000</b>
Share Capital in Border to Coast Pool	0	0	1,182	1,182
<b>Investments held at cost</b>	<b>0</b>	<b>0</b>	<b>1,182</b>	<b>1,182</b>

Reconciliation of Fair Value Measurement within Level 3

**Table 14.d Reconciliation of Fair Value Measurement within Level 3**

	<b>1 Apr 2024</b>	<b>Transf er Into Level 3</b>	<b>Transfe r Out of Level 3</b>	<b>Purchas es</b>	<b>Sales</b>	<b>Unrealised Gains/ Losses</b>	<b>Realised Gains/ Losses</b>	<b>31 Mar 2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Private Equity</b>	60,584	0	0	26,582	(11,771)	348	3,799	<b>79,542</b>
<b>Infrastructure</b>	323,897	0	0	93,649	(10,096)	963	1,586	<b>409,999</b>
<b>Property</b>	75,379	0	0	7,585	(2,213)	80	(18)	<b>80,813</b>
<b>Private Credit</b>	100,330	0	0	28,989	(4,016)	(2,979)	405	<b>122,729</b>
<b>Climate Opportunities</b>	10,439	0	0	7,729	(1,957)	(259)	(26)	<b>15,926</b>
	<b>570,630</b>	<b>0</b>	<b>0</b>	<b>164,534</b>	<b>(30,053)</b>	<b>(1,847)</b>	<b>5,746</b>	<b>709,009</b>

## 15) Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

<b>Table 15 - Financial Instruments</b>						
<b>2023/2024</b>			<b>2024/2025</b>			
<b>Fair value through profit &amp; loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>		<b>Fair value through profit &amp; loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
			<b>Financial Assets</b>			
			Equities –			
			Unitised			
			Insurance			
937,878	0	0	Policies	994,578	0	0
			Equities –			
694,324	0	0	ACS/Unit Trust	726,706	0	0
			Equities-			
265,089	0	0	Managed Fund	277,048	0	0
			Fixed Income –			
170,567	0	0	ACS/Unit Trust	184,395	0	0
			Multi Asset			
			Credit –			
357,316	0	0	ACS/Unit Trust	380,988	0	0
			Absolute			
			Return –			
149,785	0	0	ACS/Unit Trust	154,340	0	0
			Property Unit			
169,962	0	0	Trusts	177,618	0	0
60,584	0	0	Private Equity	79,542	0	0
100,330	0	0	Private Credit	122,729	0	0
323,897	0	0	Infrastructure	409,999	0	0
			Climate			
10,439	0	0	Opportunities	15,926	0	0
			Pool Share			
1,182	0	0	Capital	1,182	0	0
			Cash held for			
0	122,254	0	investment	0	40,809	0
			Receivable for			
0	850	0	sales	0	491	0
			Cash – current			
0	97,280	0	assets	0	94,871	0
			<b>Total financial</b>			
<b>3,241,353</b>	<b>220,384</b>	<b>0</b>	<b>Assets</b>	<b>3,525,051</b>	<b>136,171</b>	<b>0</b>

			<b>Financial Liabilities</b>			
0	0	0	Other liabilities	0	0	(964)
0	0	(4,158)	Other investment liabilities	0	0	(16,398)
<b>0</b>	<b>0</b>	<b>(4,158)</b>	<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>(17,362)</b>
<b>3,241,353</b>	<b>220,384</b>	<b>(4,158)</b>		<b>3,525,051</b>	<b>136,171</b>	<b>(17,362)</b>

#### *Net Gains and Losses on Financial Instruments*

<b>2023/2024 £000</b>		<b>2024/2025 £000</b>
	<b>Financial Assets</b>	
357,341	Designated at fair value through profit and loss	157,397

The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

#### **16) Nature of Extent of Risks Arising from Financial Instruments**

The Pension Fund's assets are predominantly managed by external investment managers appointed by the Pension Fund Committee. Each fund manager is required to invest the assets in accordance with the terms of a written Investment Management Agreement (IMA) or fund prospectus. The Pension Fund Committee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Funds' Investment Strategy. The Committee receives regular reports from each of the managers on the nature of the investments made on the Fund's behalf and the associated risks.

The allocation of assets between various types of financial instruments is determined by the Committee, in line with the Investment Strategy Statement (ISS). Divergence from benchmark asset allocations and the composition of each portfolio is monitored by the Pension Fund Committee.

The Fund's investment activities expose it to the following risks from the use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The nature and extent of the financial instruments employed by the Fund and the associated risks are discussed below. This note presents information on the Fund's exposure to each of the above risks and the Fund's policies and processes for managing those risks.

The Fund's ISS is formulated to identify the risks managed by investment managers, to set appropriate risk limits and to monitor adherence to those limits. The ISS is reviewed regularly to reflect changes in market conditions and the Fund's activities.

### *Market Risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the value of its assets. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising returns. The Fund has used manager and adviser information to help it identify market risks.

### *Interest Rate Risk*

Interest rate risk is the risk that interest rate fluctuations will cause the value of fixed interest securities to deviate from expectations. The Fund manages interest rate risk by:

- The use of specialist external investment managers to manage the Fund's cash and fixed interest assets.
- Ensuring asset allocations include a diversity of fixed interest investments with appropriate durations.

The Fund's direct exposure to interest rate risk, as at the period end, is shown in the table following. The table also shows the effect in the year on the net assets available to pay benefits of a +/- 100 basis points (bps) change in interest rates. Comparatives for the previous year are shown in the table below.

Carrying value at 31/03/2024	Change in year in net assets available to pay benefits		Asset type	Carrying value at 31/03/2025	Change in year in net assets available to pay benefits	
	+100 bps	-100 bps			+100 bps	-100 bps
	£000	£000			£000	£000
527,883	5,279	(5,279)	Fixed interest securities	565,383	5,654	(5,654)
219,534	2,195	(2,195)	Cash & cash equivalents	135,680	1,357	(1,357)
<b>747,417</b>	<b>7,474</b>	<b>(7,474)</b>	<b>Total</b>	<b>701,063</b>	<b>7,011</b>	<b>(7,011)</b>

NB. The Fund's direct exposure includes managed fund assets.

### *Currency Risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund manages currency risk by instructing investment managers to use hedging techniques with foreign currencies.

The following table summarises the Fund's currency exposure as at 31 March 2025 and also shows the increase/decrease in the value of net assets available to pay benefits arising.

Using information available from investment advisers, investment managers, the Custodian and the Fund's policy documents, the Fund believes the following are reasonable.

### *Currency Risk by Asset Class*

<b>Asset Type</b>	<b>2024/2025</b>			
	<b>Value</b>	<b>Change</b>	<b>Value on Increase</b>	<b>Value on Decrease</b>
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>
Overseas Equities	1,724,402	6.00%	1,827,866	1,620,938
Overseas Fixed Income	184,395	6.00%	195,459	173,331
Overseas Multi Asset Credit	380,988	6.00%	403,847	358,129
Overseas Absolute Return	154,339	6.00%	163,599	145,079
Overseas Alternatives	536,946	6.00%	569,163	504,729
Overseas Cash	11,235	6.00%	11,909	10,561
<b>Total</b>	<b>2,992,305</b>		<b>3,171,843</b>	<b>2,812,767</b>

<b>Asset Type</b>	<b>2023/2024</b>			
	<b>Value</b>	<b>Change</b>	<b>Value on Increase</b>	<b>Value on Decrease</b>
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>
Overseas Equities	1,643,948	6.00%	1,742,585	1,545,311
Overseas Fixed Income	170,567	6.00%	180,800	160,333
Overseas Multi Asset Credit	357,316	6.00%	378,755	335,877
Overseas Absolute Return	149,785	6.00%	158,772	140,798
Overseas Alternatives	446,785	6.00%	473,592	419,977
<b>Total</b>	<b>2,768,400</b>	<b>6.00%</b>	<b>2,934,504</b>	<b>2,602,296</b>

### *Market Price Risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether from factors specific to individual assets or those applying to the market as a whole.

As the Fund's assets are valued at market value, with changes to that value reflected in the Fund account, all changes in market conditions will directly affect the Fund's income.

- The Fund manages market risk by the application of the following principles:
- Ensuring a diversity of exposures to different financial markets and market sectors

By ensuring that investments have the sufficient liquidity to enable the appropriate response to changing market conditions.

### *Sensitivity analysis*

Following analysis of historical data and expected investment return movement during the financial year, and using information available from investment advisers, investment managers, the Custodian, and the Fund's policy documents, the Fund believes the following is reasonable for the 2024/2025 reporting period.

<b>Asset Type</b>	<b>% Change</b>
UK Equities	14.0%
Overseas Equities	14.0%
Property	15.0%
Absolute Return Bonds	10.0%
Diversified Growth Funds	12.0%
Gilts	10.0%
Private Equity	25.0%
Private Credit	15.0%
Infrastructure	25.0%
Cash	1.0%

If the market price of the Fund's investments increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as shown in the following table. Comparatives for the previous year are also shown.

**Table 16.c (i) Exposure to market fluctuations**

	Value	Change	2024/2025	
			Value on Increase	Value on Decrease
			£000	£000
Equities	1,998,332	14.0	2,278,098	1,718,566
Fixed income	184,395	12.0	206,522	162,268
Multi Asset Credit	380,988	12.0	426,707	335,269
Absolute Return	154,340	10.0	169,774	138,906
Property	177,618	15.0	204,261	150,975
Private Equity	79,542	25.0	99,428	59,657
Private Credit	122,729	15.0	141,138	104,320
Infrastructure	409,999	25.0	512,499	307,499
Climate Opportunities	15,926	25.0	19,908	11,945
Cash	40,809	1.0	41,217	40,401
<b>Total</b>	<b>3,564,678</b>		<b>4,099,552</b>	<b>3,029,806</b>

**Table 16.c (ii) Exposure to market fluctuations**

	<b>2023/2024</b>			
	<b>Value</b>	<b>Change</b>	<b>Value on Increase</b>	<b>Value on Decrease</b>
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>£000</b>
Equities	1,897,291	14.0	2,162,912	1,631,670
Fixed income	170,567	12.0	191,034	150,099
Multi Asset Credit	357,316	12.0	400,194	314,438
Absolute Return	149,785	10.0	164,763	134,806
Property	169,962	15.0	195,457	144,468
Private Equity	60,584	25.0	75,731	45,438
Private Credit	100,330	15.0	115,380	85,281
Infrastructure	323,897	25.0	404,871	242,923
Climate Opportunities	10,439	25.0	13,048	7,829
Cash	122,254	1.0	123,477	121,032
<b>Total</b>	<b>3,362,426</b>		<b>3,846,868</b>	<b>2,877,984</b>

The % change for Total Assets includes the impact of correlation across asset classes.

#### *Credit Risk*

Credit risk is the risk that a counterparty to a transaction involving a financial instrument will fail to discharge an obligation or commitment it has entered into with the Fund.

The net market value of the Fund's assets, as shown in the Net Assets Statement, represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to any individual counter-party or industry. Credit risk is monitored through ongoing reviews of the investment managers' activity.

Apart from a small number of outstanding tax reclaims represented by the provision for tax reclaims over 1 year in the Net Assets Statement, the Fund has no assets that are past due or impaired.

#### *Liquidity Risk*

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due. The Fund's liquidity is monitored on a daily basis and the Fund seeks to ensure that it will always have sufficient liquid funds to pay benefits to members and liabilities when due, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund manages liquidity risk by:

- Giving careful consideration to the anticipated income and expenditure required for the administration of the Fund and the payment of benefits and by maintaining in-house managed cash balances sufficient to meet day-to-day cash flows.
- Maintaining a significant proportion of the Fund held in highly liquid investments such as actively traded equities and unit trusts. The level 1 highly liquid funds total £123 million representing 3.3% of the Fund.

## 17) Funding Arrangements – Actuary Statement

The Fund's Actuary has provided the following updated Statement on the valuation of the retirement benefits as at 31 March 2025 and the assumptions made in the valuation.

### Introduction

The last full triennial valuation of the Bedfordshire Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

### Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The smoothed value of the Fund's assets for funding purposes as at 31 March 2022 was £2.95bn.
- The Fund had a funding level of 92% i.e. the value of assets for funding purposes was 92% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a deficit of £273m.

### Contribution rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- the annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due.
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 19.6% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

### Assumptions

The key assumptions used to value the liabilities at 31 March 2022 are summarised below:

---

Assumptions	Assumptions used for the 2022 valuation
Financial assumptions	
Market date	31 March 2022

---

CPI inflation		2.9% p.a.
Long-term salary increases		3.9% p.a.
Discount rate		4.6% p.a.
<i>Demographic assumptions</i>		
Post-retirement mortality		
	<i>Base tables</i>	Based on Club Vita analysis
	<i>Projection model</i>	CMI 2021
	<i>Long-term rate of improvement</i>	1.25% p.a.
	<i>Smoothing parameter</i>	7.0
	<i>Initial addition to improvements</i>	0.5% p.a.
	<i>2020/21 weighting parameter</i>	5%

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2022 valuation report.

### Updated position since the 2022 valuation

#### Assets

Investment returns on the whole Fund assets over the year to 31 March 2025 have been good, estimated to be approximately 5%. The Fund also has a positive cash flow, and so, the market value of assets at 31 March 2025 has increased since the 2022 valuation.

#### Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation which would have increased the liabilities. However the change in liabilities over the period will largely be driven by the change in financial assumptions underlying the valuation funding model and future expectations of inflation and investment returns. The next triennial valuation of the Fund will take place as at 31 March 2025 and therefore the assumptions to be used are currently under review.

#### Overall position

The 31 March 2025 valuation is currently underway, and the results will not be finalised until 31 March 2026. However, early indications suggest that there will be an improvement in the funding level compared to the last formal valuation in 2022.

The 2025 valuation of the Fund will set revised contributions for all employers due over the period from 1 April 2026 to 31 March 2029.

**Melanie Durrant FIA**  
**Partner, Barnett Waddingham LLP**

## 17a) Actuarial Present Value of promised Retirement Benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year.

The actuarial (IAS19) present value of promised retirement benefits of the Pension Fund are set out in the following table. This reflects the underlying commitment of the Pension Fund in the long term to pay retirement benefits to its active (employee members), deferred and pensioner members. The value of the Fund's Assets in the table below is the net assets as per the pension fund's Net Asset Statement.

<b>31 March 2024</b>			<b>31 March 2025</b>	
<b>£000</b>			<b>£000</b>	
(3,318,503)	Present Value of the defined benefit obligation		(3,002,955)	
3,468,273	Fair Value of Fund Assets (bid value)		3,654,497	
<b>149,770</b>	<b>Net (Liability) / Asset</b>		<b>651,542</b>	

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see note 17), in particular IAS19 stipulates a discount rate rather than a rate that reflects market rates. The actuary has also used valued ill health and death benefits in line with IAS19.

<b>2023/2024</b>		<b>2024/2025</b>
<b>% pa</b>	<b>Assumptions</b>	<b>% pa</b>
4.95	Discount Rate	5.85
2.85	Pension Increases	2.95
3.85	Salary Increases	3.95

The sensitivity of the assumptions on the present value of the defined benefit obligation of £3,002,955 have been calculated in the table below:

	<b>£000</b>	<b>£000</b>
<b>Sensitivity to:</b>	<b>+0.1%</b>	<b>-0.1%</b>
Discount Rate	(2,957,234)	(3,049,836)
Long Term Salary Increases	(3,005,713)	(3,000,219)
Pension Increases and deferred revaluation	(3,048,368)	(2,958,654)
	<b>+1 year</b>	<b>-1 year</b>
Life Expectancy Assumptions	(3,099,278)	(2,909,860)

## 18) Long Term Debtors

As at 31 March 2025 the Fund had no long term debtors (2023/2024 nil).

## 19) Current Assets

<b>2023/2024</b>	<b>Current Assets</b>	<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
1,679	Contributions due from Administering Authority	1,837
8,629	Contributions due from other scheme employers	10,498
0	Bulk Transfer due from other Local Authorities	0
2,107	Other	1,285
<b>12,415</b>		<b>13,620</b>
<b>97,280</b>	Cash	<b>94,871</b>
<b>109,695</b>	Current Assets	<b>108,491</b>

The cash balance of £94,871 million is held in the Fund's own bank accounts. Cash held by the Fund's managers is included in cash deposits in Note 13.2 above.

## 20) Current Liabilities

<b>2023/2024</b>	<b>Current Liabilities</b>	<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
403	Administration costs etc. due to Administering Authority	547
336	Investment managers' fees	304
188	Other professional fees	109
0	Amounts due to HMRC	1,699
793	Other	1,288
<b>1,720</b>		<b>3,947</b>
0	Provision for Tax Reclaims over 1 Year	0
<b>1,720</b>	Current liabilities	<b>3,947</b>

## 21) Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. These contributions are invested separately from the Fund's assets with Prudential and the Standard Life Assurance Company.

<b>2023/2024</b> <b>£000</b> <b>Restated</b>	<b>Additional Voluntary Contributions</b>	<b>2024/2025</b> <b>£000</b>
<b>6,173</b>	Value at 1 April	<b>6,880</b>
	<b>Income</b>	
1,368	Contributions received	1,822
34	Transfers received	115
	<b>Expenditure</b>	
(1,035)	Retirements	(1,203)
(24)	Transfers values paid	(3)
<b>343</b>	<b>Net Income and Expenditure</b>	<b>731</b>
364	Change in market value	206
<b>6,880</b>	Value at 31 March	<b>7,817</b>

In accordance with Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, additional voluntary contributions are excluded from the Fund Account and Net Assets Statement.

<b>Breakdown of AVC Providers</b>			
	<b>Prudential</b>	<b>Standard Life</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Value at 1 April 2024	<b>6,353</b>	<b>527</b>	<b>6,880</b>
	<b>Income</b>		
Contributions received	1,820	2	1,822
Transfers received	115	0	115
	<b>Expenditure</b>		
Retirements	(1,140)	(63)	(1,203)
Transfers values paid	0	(3)	(3)
<b>Net Income and Expenditure</b>	<b>795</b>	<b>(64)</b>	<b>731</b>
Change in market value	178	28	206
<b>Value at 31 March 2025</b>	<b>7,326</b>	<b>491</b>	<b>7,817</b>

## 22) Related Party Transactions

Pension Fund Committee members and relevant senior officers are required to declare any interests in related party transactions and relationships between themselves, and their related parties, and the Pension Fund. Some of the Committee members also act as councillors or board members of the Fund's scheduled or admitted bodies, who maintain a conventional employer relationship with the Fund. Committee Members are also required to declare any company directorships. These are listed below but do not include representation of their respective bodies as Committee members:

- Councillor McMurdo is a member of the Bedfordshire & River Ivel Drainage Board.
- Councillor Sawyer is a Director at Bedford Consulting Limited.

- Councillor Wenham is a Director at Raynsford Church of England Academy, Southeast Midlands Local Enterprise Partnership Limited, Henlow Pavilion Management Limited and Rasear Limited.
- Councillor Shelvey is a Director at Henlow Pavilion Management Limited.

There were no material transactions between members and officers and the Fund during 2024/2025.

The only material related party transactions during 2024/2025 were in respect of contributions paid by the employing bodies into the Fund. See Note 7.

Amounts owed to and from the administering authority can be seen in Notes 19 and 20.

The disclosures required by the above legislation can be found in the main accounts of Bedford Borough Council.

Administration and investment management costs include charges by Bedford Borough Council for providing services in its role as administering authority. For 2024/2025 these amounted to £1.9 million (2023/2024 £1.4 million).

The Administration team provide the legacy payroll for Teachers pension added years.

The Fund pays compensatory added years benefits on behalf of some of its employers. The costs of these are invoiced to the employer. In 2024/2025, £3.1 million (2023/2024 £3.1 million) was paid and recovered from employers.

#### *Key Management Personnel*

There are three senior officers of Bedford Borough Council involved in the financial management of Bedfordshire Pension Fund. They are the Executive Director of Resources, the Fund Administrator and the Chief Officer for Bedfordshire Pension Fund. These officers charge a proportion of their time to the Pension Fund as part of Bedford Borough Council's role as administering authority. In 2024/2025, their remuneration was as follows:

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
139	Short-term benefits	153
24	Post-employment benefits	19
<b>162</b>		<b>172</b>

#### **23) Contingent Liabilities and Contractual Commitments**

There were no material contingent liabilities as at 31 March 2025. But there were outstanding capital commitments to investment vehicles of up to £712.0 million (31 March 2024: £719.2 million). These commitments relate to outstanding call payments (including recallable distributions) due on unquoted investments in infrastructure, private equity, real assets, private debt and climate opportunities. The amounts drawn down by the managers are irregular in both size and timing over typical periods of up to 6 years from the date of the original commitments.

The outstanding capital commitments are shown below:

<b>Table 23 Contingent Liabilities and Contractual Commitments</b>	
<b>Estimates at 31 March 2025</b>	<b>GBP Commitments £000</b>
<b>Border to Coast</b>	
Climate opportunities	19,055
Infrastructure	187,042
Private Credit	188,788
Private Equity	131,467
Global Real Estate	110,612
<b>Pantheon</b>	3,131
<b>Abrdn</b>	55,573
<b>Gresham Hse BSIF II</b>	16,315
<b>Total</b>	<b>711,983</b>

<b>Table 23 Contingent Liabilities and Contractual Commitments</b>	
<b>Estimates at 31 March 2024</b>	<b>GBP Commitments £000</b>
<b>Border to Coast</b>	
Climate opportunities	28,178
Infrastructure	239,167
Private Credit	173,347
Private Equity	113,292
Global Real Estate	120,000
<b>Pantheon</b>	3,312
<b>Abrdn</b>	28,312
<b>Gresham Hse BSIF II</b>	13,603
<b>Total</b>	<b>719,211</b>

## Annual Governance Statement 2024/2025

Separate document published.

## Glossary

### AAA FITCH RATING

Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

### AA FITCH RATING

Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

### A FITCH RATING

High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

### ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

### ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

### ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed

### ASSET

An item having value to the authority in monetary terms. Assets are categorised as either current or non-current

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

### AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

### BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

#### BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

#### BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

#### CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

#### CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

#### CAPITAL PROGRAMME

The capital schemes the Authority intends to carry out over a specific period of time.

#### CAPITAL RECEIPT

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

#### CLAW-BACK

Where average council house rents are set higher than the government's prescribed average limit rent, used in the calculation of rent rebates, the percentage difference reduces the amount of rent rebate subsidy due to the authority, i.e. it is "clawed-back" by the government.

#### CIPFA

The Chartered Institute of Public Finance and Accountancy

#### COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

#### COMMUNITY ASSETS

Assets that the Authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

#### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

#### CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

#### CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's accounts.

#### CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

#### CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

#### CREDITOR

Amount owed by the Authority for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

#### CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

#### DEBTOR

Amount owed to the Authority for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

#### DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

#### DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

#### DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

## EQUITY

The Authority's value of total assets less total liabilities.

## EVENTS AFTER THE BALANCE SHEET DATE

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

## EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

## FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

## FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

## GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.

## GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

## HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

## IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

## INFRASTRUCTURE ASSETS

Fixed assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

## INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

## INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

## INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

## LIABILITY

A liability is where the Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## LIQUID RESOURCES

Current asset investments that are readily disposable by the Authority without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

## LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

## MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

## MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

## NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

## NET DEBT

The Authority's borrowings less cash and liquid resources.

## NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services.

## NON-DOMESTIC RATES (NDR)

The Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by central government and multiplied by the assessed rateable value of the premises they occupy. In England it is collected by the Authority on behalf of itself, central government and major preceptors.

In Scotland it is collected by the Authority on behalf of central government and then redistributed back to support the cost of services.

#### NON-OPERATIONAL ASSETS

Fixed assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

#### OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

#### OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Authority in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

#### PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

#### PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

#### PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

#### PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

#### PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

#### PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

#### RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

#### RELATED PARTIES

There is a detailed definition of related parties in FRS 8. For the Council's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.

#### RELATED PARTY TRANSACTIONS

The Statement Of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

#### 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 the employer are excluded.

#### RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

#### RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

#### RETIREMENT BENEFITS

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

#### REVENUE EXPENDITURE

The day-to-day expenses of providing services.

#### REVENUE EXPENDITURE CAPITALISED UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue, but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

#### REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

#### STOCKS

Items of raw materials and stores an authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

#### TEMPORARY BORROWING

Money borrowed for a period of less than one year.

#### TRUST FUNDS

Funds administered by the Authority for such purposes as prizes, charities, specific projects and on behalf of minors.

#### USEFUL ECONOMIC LIFE (UEL)

The period over which the Authority will derive benefits from the use of a fixed asset

## Independent Auditor's Report

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDFORD BOROUGH COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of Bedfordshire Pension Fund ("the Pension Fund") for the year ended 31 March 2025 on pages 1 to 34 which comprise the Fund Account, the Net Assets Statement and the related notes to the Pension Fund financial statements, including the accounting policies in note 3.

In our opinion the Pension Fund financial statements included in the Pension Fund Annual Report:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities; 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 opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Bedford Borough Council (as administering authority for the Pension Fund, the "Authority") in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Chief Finance Officer ("the Section 151 Officer") has prepared the Pension Fund financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Authority's services or dissolve the Authority without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Pension Fund financial statements ("the going concern period").

In our evaluation of the Section 151 Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Authority over the going concern period.

Our conclusions based on this work:

- we consider that the Section 151 Officer's use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate; and
- we have not identified, and concur with the Section 151 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 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 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 and the Pensions Committee as to the Pension Fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Pensions Committee minutes.

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 Pension Fund management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of unlisted investments. On this audit we did not identify a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual debits or credits to cash, and journals posted by senior finance personnel.
- 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 Pension Fund financial statements from our general sector experience and through discussion with the Section 151 Officer (as required by auditing standards), 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 Pension Fund financial statements varies considerably.

The Pension Fund is subject to laws and regulations that directly affect the Pension Fund 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.

Whilst the Pension Fund is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the Pension Fund financial statements

### *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 Pension Fund 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 Pension Fund 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 151 Officer is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the Pension Fund financial statements and our auditor's report thereon. Our opinion on the Pension Fund 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 Pension Fund financial statements audit work, the information therein is materially misstated or inconsistent with the Pension Fund financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### **Section 151 Officer's and Audit and Governance Committee's responsibilities**

As explained more fully in the statement set out on page 11, the Chief Finance Officer is responsible for the preparation of Pension Fund 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 Pension Fund financial statements that are free from material misstatement, whether due to fraud or error; assessing 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 Authority or dissolve the Authority without the transfer of its services to another public sector entity.

The Audit and Standards Committee of the Authority is responsible for overseeing the Pension Fund's financial reporting process.

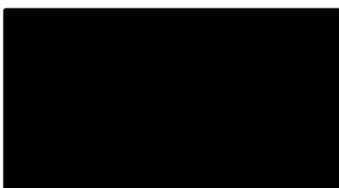
### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the Pension Fund 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 Pension Fund financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of Bedford Borough Council, 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 Bedford Borough Council, 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 Bedford Borough Council and the members of Bedford Borough Council, as a body, for our audit work, for this report, or for the opinions we have formed.



*Richard Walton*  
*for and on behalf of KPMG LLP*

Chartered Accountants  
EastWest  
Tollhouse Hill  
Nottingham  
NG1 5FS  
27 February 2026

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDFORD BOROUGH COUNCIL ON THE COUNCIL'S FINANCIAL STATEMENTS**

### **REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS**

#### **Disclaimer of opinion**

We were engaged to audit the financial statements of Bedford Borough Council ("the Council") for the year ended 31 March 2025 on pages 12 to 94 which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, Collection Fund and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

We do not express an opinion on the financial statements. Due to the significance of the matters described in the Basis for disclaimer 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.

#### **Basis for disclaimer of opinion**

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

These areas were: the carrying amounts of Property, plant & equipment and Investment Property; Employee benefits expenses included over a number of line items in Cost of Services in the Comprehensive Income and Expenditure Statement; and the balance of, and movements in, Usable and Unusable reserves for the year ended 31 March 2025.

In addition, we have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements in relation to the disclosed comparative figures for the Council for the year ended 31 March 2024 due to the Backstop Date. These areas include, but were not limited to, those listed above, and Fees, charges and other service income and the net assets as at 1 April 2023. . As a result, we were unable to determine any adjustments were necessary to the amounts recorded in relation to these areas as at 31 March 2024, or whether there were any effects on the Council's income and expenditure for the years ended 31 March 2024 and 2025.

Any adjustments from the above matters would have a consequential effect on the Council's net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024, the Collection Fund and on its income and expenditure and cash flows for the years then ended.

#### **Fraud and breaches of laws and regulations – ability to detect**

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

### Other information

The Executive Director of Resources (the "Section 151 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. Any opinion on the financial statements would not cover the other information and we do not express an 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.

Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the [Statement of Accounts] for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

### Executive Director of Resources and Audit Committee's responsibilities

As explained more fully in the statement set out on page 11, the Section 151 Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and 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 Council'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 Council or dissolve the Council without the transfer of its services to another public sector entity.

The Audit Committee of the Council is responsible for overseeing the Council'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), and to issue an auditor's report. However, due to the significance of the matter described in the *Basis for disclaimer 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.

We have fulfilled our ethical responsibilities under, and are independent of the Council in accordance with, UK ethical requirements including the FRC Ethical Standard.

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### Report on the Council'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 Council to secure economy, efficiency, and effectiveness in its use of resources.

### ***Significant Weakness 1 – Financial Sustainability***

The Medium-Term Financial Strategy reported to full Council in September 2024 highlighted a large financial sustainability risk – with a large gap between the estimated revenue budget and the available funding for the period to 2029.

The Council have worked to address this by seeking external support and have established an improvement plan in order to address the underlying drivers, with the view to establishing a sustainable financial position in the medium term. However, this plan was not fully established during the period and therefore arrangements were not embedded as at the end of March 2025. Given the low levels of reserves available to the Council this is considered a significant weakness in arrangements.

#### ***Recommendation***

The Council should fully embed the Improvement Plan within the operations of the Council in order to establish a sustainable financial footing in the medium term.

### ***Significant Weakness 2 – Governance***

The Council did not have in place sufficient capacity within the finance team to undertake its core objectives and serve the additional requests that have been placed on it during the period.

An impact of this is that an initial draft financial statements of appropriate quality were not published in line with the 30 June 2025 deadline. Whilst new appointments have been made to the team since the end of the financial period the finance team are still under pressure requiring interim support.

Due to the above and the capacity of the team during the period ending 31 March 2025 we have concluded that there was a significant weakness in arrangements.

#### ***Recommendation***

The Council should undertake a full review of the finance structure to identify where further resource is required in order to build sufficient capacity to respond to the increased demands on the team.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Council 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 Council 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 Council'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 Council 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 Council 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 Council 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.

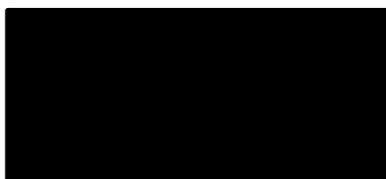
### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the Council, 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 Council, 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 Council and the members of the Council, 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 Council'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 Bedford Borough Council 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.



**Richard Walton**

for and on behalf of KPMG LLP

*Chartered Accountants*

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27 February 2026