BEDFORD BOROUGH COUNCIL

Statement of Accounts - Draft 2025/2026

June 2026

Contents

Narrative Report

(a) Revenue Outturn Position

The Council has faced significant demand and cost pressures over the 2025/2026 financial year that have been reported to the Executive on a regular basis. These pressures relate to the demand led services, primarily Children's Social Care placements, adult social care packages and the shortfall in Housing Benefit Subsidy.

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) reviewing grants received and replacing General Fund spend where possible, (iv) introduction of the Spend Management Panel (v) capitalisation of costs where appropriate, (vi) delaying projects and a general continued scrutiny of all spend and opportunities to maximise efficiencies.

The revenue outturn for 2025/2026 for Bedford Borough Council is a net overspend of £17.722million prior to the application of Exceptional Financial Support (EFS). EFS of £21.804 million was applied to the general fund, and utilised to cover the overspend and build resilience for the futures, by way of establishing an Energy Resilience Reserve and making a contribution to the General Fund Reserve.

The outturn includes £1.804 million in relation to the Cleat Hill explosion. The Council applied to the Government via the Bellwin Scheme for support for this incident which was rejected. As a result, EFS was requested as no revenue resources were available.

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 is due to be reported to the Executive on 15 July 2026. This compares to a net revenue overspend in 2024/2025 of £1.564 million.

	Current Budget	Draft Outturn	Variance
	£ million	**£ million**	**£ million**
Adult Services	72.550	75.757	3.207
Chief Executives	11.042	9.917	(1.125)
Children's Services	47.339	61.679	14.339
Environment	41.505	40.224	(1.281)
Resources	10.835	12.684	1.849
Public Health	-	-	-
Operational Net Cost	**183.271**	**200.261**	16.989
Financing	(5.655)	(7.291)	(1.636)
Total	**177.616**	**192.969**	**15.353**
Wixams Station		0.570	0.570
Cleat Hill		1.804	1.804
Grand Total	**177.616**	**195.342**	**17.726**
EFS Drawdown		**(20.000)**	**(20.000)**
EFS (Cleat Hill Drawdown)		**(1.804)**	**(1.804)**
	177.616	**173.539**	**(4.078)**
Energy Resilience Reserve		**1.000**	1.000
GF Contribution		3.077	3.078
	177.616	177.616	-

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 £200.261 million representing an overspend of £16.989 million; this is partially offset by an underspend of (£1.640 million) in relation to Non-Operational Budgets. There was also expenditure incurred in relation to two exceptional items of spend, being £1.804 million spend on the response to the Cleat Hill explosion, which is inclusive of a contribution to reserves for the expected 2026/2027 costs. This has been funded in its entirety by EFS. The spend related to the Wixams train station are those costs that are deemed to be revenue following a review of the spend to date as a result of the decision to pause the project to hand over the site to the Department for Transport for the delivery of a larger project in light of the Universal Studios development nearby.

Within 2025/2026 an application was made to the Ministry for Housing, Communities and Local Government (MHCLG) for EFS. EFS is a mechanism the Government uses to help Councils manage serious financial pressures they cannot cover through their normal budgets or reserves. EFS allows Councils to pay for certain costs by the Government issuing a capitalisation direction, which temporarily allows the Council to treat some day to day (revenue) costs as capital expenditure. This creates short-term flexibility, while structural mitigation is delivered through the Improvement Plan, but does not resolve the underlying financial challenges. For 2025/2026 the Council applied for up to £22 million of EFS, to allow for the forecast deficit and the costs associated with the Cleat Hill explosion. The Council was notified on 23 February 2026 that this application for EFS has been accepted in principle in its entirety by MHCLG. Therefore £21.804 million of EFS has been utilised within 2025/2026. Of this £1.804 million is related to the Cleat Hill explosion.

Following the application of EFS to the outturn a balance of £4.078 million remained. Following the start of the war in the middle east in March, energy prices have experienced turbulence. Therefore £1.000 million of this balance has been utilised to create an Energy

Resilience Reserve, with the balance of £3.078 million being allocated to the General Fund Reserve.

These amounts are subject to further adjustments that may arise following the completion of the financial statements closure and audit processand final agreement by MHCLG.

The final budget for 2025/2026 was funded through Council Tax of £125.036 million, retained business rates of £44.754 million and Revenue Support Grant of £7.826 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 2025/2026 Outturn. As at the 31 March 2026 the General Fund stands at £14.199 million.

A risk assessment of the General Fund Balance has been undertaken which shows that the range of the General Fund should be between £14.6 million and £17.8 million. The recommended range is higher than previously evaluated due to demographic pressures across the Authority. The General Fund as at 31 March 2026 stands at £14.199 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. As such there is a budgeted contribution to the General Fund within 2026/2027 of £1.750 million which, if no further movements take place will bring the General Fund reserve back to within its risk assessed range.

Earmarked Reserves

Earmarked Reserves have been reviewed throughout 2025/2026, and although they have reduced within 2025/2026, are still considered sufficient to manage the risk going forward.

(c) Capital Outturn

The Capital Outturn position in relation to the 2025/2026 Capital Programme is set out in the table below and shows a net underspend of £40.47 million. This is due to the slippage of some schemes in 2025/2026 into future years.

Directorate	Budget £ million	Outturn £ million	Variance £ million
Gross Expenditure			
Chief Executives	25.956	13.095	(12.861)
Resources	27.820	26.766	(1.054)
Children's Services	21.046	14.200	(6.846)
Environment	50.906	31.197	(19.709)
Total Gross Expenditure	**125.728**	**85.258**	**(40.470)**

Net Expenditure			
Chief Executives	7.424	3.673	(3.751)
Resources	27.572	26.507	(1.065)
Children’s Services	4.431	1.619	(2.812)
Environment	19.228	7.339	(11.890)
Total Net Expenditure	**58.655**	**39.138**	**(19.517)**

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 £62.096 million, increasing the General Fund Balance to £32.335 million. This differs from the net expenditure shown in the CIES of £44.342 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, increased by £17.235 million across Revenue, Capital and Schools. The total

General Fund Balance increased by £4.332 million and Capital Grants Unapplied increased by £13.335 million.

In addition to this, Unusable Reserves fell by £26.612 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 £19.453 million to a total of £231.589 million (£212.136 million in 2025/2026). The service level expenditure increased by 7.541 million and income reduced by £11.911 million between years.

Financing and Investment net income increased from £4.012 million in 2024/2025 to £8.623 million for 2025/2026. This is mainly due to an upward revaluation on Investment Property and Pooled Funds.

Taxation and non specific Grant Income has reduced by £48.086 million due to a reduction in capital grants when compared to the high level of grants received in 2024/2025.

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 £9.377 million) resulting in a closing position as at 31 March 2026 of £617.189 million. This movement creates a corresponding decrease in the Net Assets held by the Council at 31 March 2026.

Property, Plant and Equipment decreased by £8.908 million largely as a result of derecognition and depreciation that more than offset new additions and revaluations in the year. The value of Investment Properties increased in year by £6.459 million due to a net gain from the fair value adjustment.

Cash & Cash Equivalents decreased by £12.069 million as a result of timing differences between income and expenditure within the capital programme in the comparator year of 2024/2025 showing a high balance and the timing of payments outgoing showing a low balance as at 31 March 2026. Short term borrowing has reduced by £40.963 million during the year as a result of capital funding being received in year (related to prior year spend) and the re-profiling of debt into long term debt. Correspondingly Long Term Borrowing has increased by £13.518 million

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 £67.159 million 2024/2025 compared with £67.159 million in 2025/2026).

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 2025/2026 cash flow statement reiterates the reduction 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 £1.371 million during the year for Council Tax which included the payment of the brought forward surplus of £1.808 million to the major preceptors. After taking this payment into account there was a surplus of £0.436 million to be allocated out to the precepting authorities in 2026/2027.

After allowing for a prudent provision for appeals and uncollectable debts, National Non-Domestic Rates (NNDR) collection recorded a surplus of £0.284 million for the year. The deficit in addition to the deficit of £0.665 million brought forward from 2025/2026, resulting in a deficit of £0.381 million carried forward.

Bedford Borough Council's share of the overall Collection Fund surplus is £0.178 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 2026 stood at £4.022 billion (£3.655 billion 31 March 2025) an increase of £0.367 million (10%) on the previous year, as explained in the Fund Account.

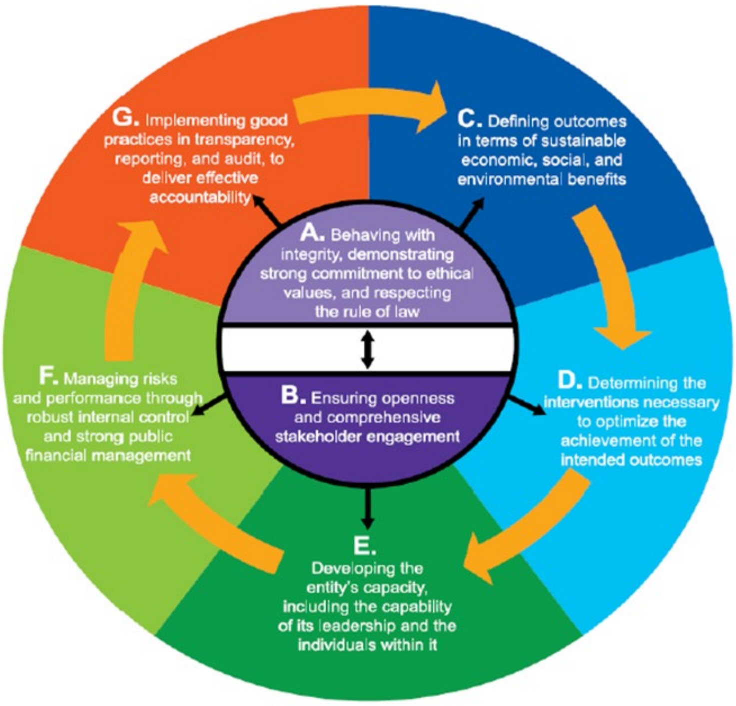
Annual Governance Statement

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

The Annual Governance Statement (AGS) is a statutory document, which assesses the governance arrangements in place to enable us to carry out our functions effectively. Regulation 6(1b) of the Accounts and Audit Regulations 2015 requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare an AGS.

The AGS reports publicly on the effectiveness of governance and internal control arrangements and how we have complied with our Local Code of Corporate Governance, including how we monitor effectiveness. The Governance Framework was in place at Bedford Borough Council for the year ended 31 March 2026, and up to the date of approval of the annual statement of accounts. Overall, the Council's governance arrangements remain fit for purpose.

The Council has approved and adopted its Local Code of Corporate Governance, which is consistent with the seven principles of the Chartered Institute of Public Finance and 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 2025/2026, actions were included in relation to Financial Resilience, Constitution Review, Capital Programme, Procurement and Contract Management, Information Governance, and Capacity.

Performance Management Arrangements

The Corporate Plan 2025/2026 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 2025-26, 84.5% 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.

The key performance indicators are due to be considered by the Executive in July 2026.

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 Assistant Chief Executive (Finance) & Chief Finance Officer.
- 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 2026 and income and expenditure for the year ended 31 March 2026.

Signed:

Date: 30 June 2026

Julie McCabe, Executive Director of Resources

Approval

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

Signed:

Date:

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.

2024/25 Restated				2025/26		
Net Expenditure Chargeable to the General Fund Balance	Adjust ments	Net Expenditure in the Compre-hensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjust ments	Net Expenditure in the Compre-hensive Income and Expenditure Statement
£0	£0	£0		£0	£0	£0
70,399	-1,274	69,125	Adult Services	75,757	267	76,024
2,964	17,625	20,589	Chief Executives	9,917	8,800	18,717
51,136	-2,816	48,313	Childrens Services	61,679	-1,529	60,150
32,220	28,085	60,305	Environment	40,224	14,951	55,175
11,007	-659	10,354	Resources	12,684	4,430	17,114
171	-238	-67	Public Health	0	0	0
9,388	-5,871	3,517	Financing	-5,655	10,064	4,409
177,285	**34,852**	**212,136**	**Net Cost of Services**	**194,606**	**36,983**	**231,589**
-166,994	-18,449	-185,443	Other (Income) and Expenditure	-198,656	29,163	-169,493
10,291	**16,403**	**26,693**	**(Surplus) or Deficit on Provision of Services**	**-4,050**	**66,146**	**62,096**
-38,587			Opening Combined General Fund Balance	-28,285		
10,300			Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)	-4,051		
-28,285			**Closing Combined General Fund Balance**	**-32,336**		

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.

2024/25 Restated				2025/26		
Expenditure £000	**Income £000**	**Net £000**		**Expenditure £000**	**Income £000**	**Net £000**
115,003	(45,878)	69,125	Adult Services	123,422	(47,397)	76,024
26,317	(5,728)	20,589	Chief Executives	21,879	(3,163)	18,717
211,629	(163,316)	48,313	Childrens Services	219,029	(158,879)	60,150
99,925	(39,621)	60,305	Environment	99,769	(44,594)	55,175
56,994	(46,641)	10,354	Resources	62,859	(45,745)	17,114
10,220	(10,287)	(67)	Public Health	0	0	0
5,760	(2,243)	3,517	Financing	6,433	(2,024)	4,409
525,849	**(313,713)**	**212,136**	**Cost of Services**	**533,390**	**(301,802)**	**231,589**
		75,242	Other Operating Expenditure (Note11)			47,707
		(4,012)	Financing and Investment Income and Expenditure (Note 12)			(8,623)
		(256,663)	Taxation and Non Specific Grant Income (Note 13)			(208,577)
		26,703	**(Surplus) or Deficit on Provision of Services**			**62,096**
		(22,797)	(Surplus) or deficit on revaluation of Property, Plant and Equipment (Note 23)			(14,425)
		4,630	Remeasurement of the net defined benefit liability / asset (Note 39)			(579)
		(18,167)	**Other Comprehensive (Income) and Expenditure**			**(15,004)**
		(18,167)	**Other Comprehensive (Income) and Expenditure**			**(15,004)**

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
Balance at 31 March 2025	(9,621)	(18,664)	**(28,285)**	0	**(23,289)**	(51,574)	(574,992)	(626,566)
Movement in reserves during 2025/26								
(Surplus) or deficit on the provision of services	62,096	0	**62,096**			**62,096**		**62,096**
Other Comprehensive Income / Expenditure							(52,719)	**(52,719)**
Total Comprehensive Income and Expenditure	**62,096**	**0**	**62,096**			**62,096**	**(52,719)**	**9,377**
Transfer of capital funding to finance capitalisation	(21,804)		**(21,804)**			**(21,804)**	(21,804)	**0**
Adjustments between accounting basis and funding basis under regulations	(44,342)		**(44,342)**		(13,185)	**(57,527)**	57,527	**0**
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(4,051)		**(4,051)**		(13,185)	**(17,235)**	**26,612**	**9,377**
Transfers to / from Earmarked Reserves	(528)	528	**0**			**0**		**0**
(Increase) or Decrease in 2025/26	(4,579)	528	**(4,051)**	0	**(13,185)**	(17,235)	26,612	9,377

Balance at 31 March 2026	**(14,199)**	**(18,136)**	**(32,335)**	**0**	**(36,474)**	**(68,809)**	**(548,380)**	**(617,189)**
			Note 10		**Note 22**		**Note 23**	

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	**(11,183)**	**(27,403)**	**(38,585)**	**0**	**(13,540)**	**(52,126)**	**(582,974)**	**(635,102)**
Movement in reserves during 2024/25								
(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)**
Total Comprehensive Income and Expenditure	**26,703**	**0**	**26,703**			**26,703**	**(18,167)**	**8,536**
Adjustments between accounting basis and funding basis under regulations	(16,402)		**(16,402)**		(9,749)	**(26,151)**	26,151	**0**
Net (Increase) or Decrease before Transfers to Earmarked Reserves	10,301		**10,301**		(9,749)	**552**	**7,983**	**8,536**
Transfers to / from Earmarked Reserves	(8,739)	8,739	**0**					
(Increase) or Decrease in 2024/25	**1,564**	**8,739**	**10,301**		**(9,749)**	**552**	**7,983**	**8,536**
Balance at 31 March 2025	**(9,620)**	**(18,664)**	**(28,282)**		**(23,289)**	**(51,572)**	**(574,992)**	**(626,565)**
			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 2025 £000		**Notes**	**31 March 2026 £000**
722,893	Property, Plant & Equipment	13	713,985
6,554	Heritage Assets	43	6,554
86,344	Investment Property	15	92,358
5,680	Intangible Assets	16	4,320
32,343	Long Term Investments	17	33,350
1,537	Long Term Debtors	17A	1,411
855,351	**Long Term Assets**		**851,978**
0	Short Term Investments	17A	0
200	Investment Property for Sale	15	240
79,360	Short Term Debtors	18	41,287
10,397	Cash and Cash Equivalents	19	-1,671
89,957	**Current Assets**		**39,856**
-83,724	Short Term Borrowing	17A	-42,761
-69,663	Short Term Creditors & Other Short Term Liabilities	20A	-69,488
-4,378	Provisions	21	-5,947
-157,765	**Current Liabilities**		**-118,196**
-4,295	Provisions	21	-4,167
-46,229	Long Term Borrowing	17	-59,747
-78,131	Pension Liability & Other Long Term Liabilities	20B	-67,692
-32,322	Capital Grants Receipts in Advance	33	-24,841
-160,977	**Long Term Liabilities**		**-156,447**
626,566	**Net Assets**		**617,189**
-51,574	Usable reserves	10&22	-68,809
-574,992	Unusable Reserves	23	-548,380
-626,566	**Total Reserves**		**-617,189**

I certify that the Balance Sheet represents a true and fair view of the Authority’s finanical position as at 31 March 2026.

Signed: JaMcCabe.
Date: 30 June 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.

2024/25		**2025/26**
£000		
26,703	Net (surplus) or deficit on the provision of services	62,096
(63,019)	Adjustment to surplus or deficit on the provision of services for noncash movements	(27,526)
65,978	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	13,646
29,661	**Net cash flows from operating activities**	**48,216**
(157)	Net cash flows from investing activities	(25,622)
(37,473)	Net cash flows from financing activities	(34,663)
(7,969)	**Net (increase) or decrease in cash and cash equivalents**	**(12,069)**
2,428	Cash and cash equivalents at the beginning of the reporting period	10,397
10,397	**Cash and cash equivalents at the end of the reporting period**	**(1,672)**

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

GOING CONCERN

The CIPFA Code states that an authority's financial statements shall be prepared on a going concern basis, as they can only be discontinued under statutory prescription. The accounts are prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future.

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 2026, 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 the 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 2027 shows a negative cash position throughout the Going Concern period.

Projections in the Treasury Management Strategy Statement, approved by Full Council in February 2026, indicate a need for short-term in-year borrowing from 2026/2027 through to 2028/2029 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. The strategy also requires the Council to hold a balance of short, medium and long term borrowing, as such there will be a requirement to refinance some short term borrowing to medium and long term within 2026/2027. This borrowing may be sourced from the PWLB. On 30 May 2026 there was £104.586 million headroom between actual borrowing of £114.608 million and the Capital Financing Requirement (CFR) forecast for 31 March 2026 of £219.194 million. In addition to this the Council's Operational Boundary and Authorised Borrowing Limit for 2025/2026 was £170 million and £160 million respectively. The Council's Operational Boundary has been approved to rise to £215 million in 2026/2027 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 2026 stood at £14.199 million (subject to MHCLG approval to utilise EFS to increase balances). The General Fund Reserve, returned to the risk assessed range within 2025/2026, however following a re-assessment of the risk assessed range is currently slightly below the minimum. As reported to Full Council in March 2025 the Council is committed to returning to within the risk assessed range by 31 March 2027. And as such there is a budgeted contribution of £1.750 million within 2026/2027 which, if no further movements on the general fund were made would return the general fund reserve to within it's risk assessed level. The Council also holds earmarked reserve balances of £14.8 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 £15.953 million on 31 March 2027, and earmarked reserve balances that could be called upon are forecast to be £12.9 million. These forecasts assume the revenue budget is balanced during 2026/2027. 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 2026/2027 especially in relation to demand led services such as Adult Social Care, Children's Social Care and Housing benefit Subsidy and this was recognised in the Section 25 report of the Chief Finance Officer considered by Full Council in February 2026. The Council has also recognised the need for sustained action and as such the Executive approved an Improvement Plan in January 2026 and received regular updates on the progress being made.

Within 2025/2026 the Council applied for Exceptional Financial Support (EFS) from the Ministry of Housing, Communities and Local Government (MHCLG) in the form of a capitalisation directive. This creates short term flexibility whilst structural mitigation is delivered through the improvement Plan. The Council applied for up to £22 million and this application was agreed in principle by MHCLG in February 2026. The Council utilised £21.804 million of this within 2025/2026. The Council has also included the use of up to £25 million of EFS within the 2026/2027 budget with the reliance on EFS planned ti to reduce from 2027/2028 onwards.

The Council in recognising the financial challenge it faces has established a voluntary Independent Improvement and Assurance Board to assist in its transformation journey and drive the agreed Improvement Plan. The Council is also currently awaiting the outcome of a Best Value Inspection.

Due to the actions detailed above it is considered that the Council will remain a going concern.

I GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the 2025/2026 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

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

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.

Ii 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.
- 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 in financing and investment income and expenditure for the income that might not be collected.

Iii 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).

For 2025/26 there were no such instances.

Iv 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.

V 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. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

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

Vi CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- 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.

Vii 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.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Viii 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 in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

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

- The 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 and 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 Pensions Scheme

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 *tbc*% (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 – current bid price
    - unquoted securities – professional estimate
    - unitised securities – current bid price
    - property – market value

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

- Service cost comprising:
    - current service cost – the increase in liabilities as result of years of service earned this year – allocated in the CIES to the services for which the employees worked
    - 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
    - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments
- Remeasurement compromising:
    - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure
- contributions paid to the 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 or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

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.

Ix EVENTS AFTER THE REPORTING PERIOD

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

- those that provide evidence of conditions that existed at the end of the reporting period. 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.

X FINANCIAL INSTRUMENTS

Financial Liabilities

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

For most of the borrowings that the Council 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 Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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. The Council holds 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 this third category.

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

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 Council 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 Council.

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

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), note18 Debtors.

Financial assets measured at fair value through other comprehensive income

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

The Council has no financial assets in this category.

Financial Assets Measured at Fair Value through Profit of Loss

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

Pooled Investment Funds

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.

Fair value measurements of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. 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 Council 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.

Xi FOREIGN CURRENCY TRANSLATION

The Council hold no balances in a foreign currency.

Xii GOVERNMENT GRANTS AND CONTRIBUTIONS

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

- the Council will comply with the conditions attached to the 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. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a community infrastructure levy (CIL). The levy is charged on new builds (chargeable developments for the Council) 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.

The CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

Xiii HERITAGE ASSETS

Heritage assets are assets that are held by the Council 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.

Xiv 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 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.

Xv LAND, BUILDING AND SURPLUS ASSETS

Valuation and Indexation Policy

The Council has adopted a five-year rolling programme for the valuation of land, buildings, and surplus assets. Assets are subject to a full professional valuation at least once every five years. In the intervening years, assets that are not formally revalued are updated through indexation using the relevant BCIS index to ensure that carrying values remain materially reflective of current market conditions.

Xvi INTERESTS IN COMPANIES AND OTHER ENTITIES

Companies

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 2026. 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.

Xvii INVENTORIES

Inventories are 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 of Deficit on the Provision of Services.

Xviii LONG TERM CONTRACTS

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.

Xix 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.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve**.**

Xx JOINT OPERATIONS

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Council as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint op
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

xxi LEASES

The Council as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of

contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council’s incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

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

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

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

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

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

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

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and

- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

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

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as Lessor

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

Finance leases

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

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Xxii OVERHEADS AND SUPPORT SERVICES

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

Xxiii PROPERTY, PLANT AND EQUIPMENT

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

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 Council does not capitalise borrowing costs incurred while assets are under construction but 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 – in this and predecessor Codes these assets have been consistently required to be measured at depreciated historical cost, but this practice has been subject to modification. The annex to Section 4.1 of the Code provides a historical summary of the modifications to historical costs and sets out how the depreciated historical cost basis of measurement has been established

- council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of 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.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

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

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

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 by:

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

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

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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.

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 General Fund.

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 Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

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

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the government. The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the Council’s underlying need to borrow (the capital financing requirement). Receipts are 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 non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

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 (e.g. 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.

Xxiv PRIVATE FINANCE INITIATIVES (PFI) AND SIMILAR CONTRACTS

The Council has no PFI, nor any similar contracts.

Xxv PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Council a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an 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.

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.

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 with sufficient reliability.

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

Contingent Assets

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

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

Xxvi RESERVES

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund balance 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, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Xxvii REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

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

Xxviii SCHOOLS

The Code confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the group accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

Xxix VALUE ADDED TAX (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

Xxx FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Council's accounting policy for fair value measurement of financial assets is set out in note 17. The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:
a) in the principal market for the asset, or
b) in the absence of a principal market, in the most advantageous market for the asset.

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

When measuring the fair value of a non-financial asset, the Council 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 Council 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 for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

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.

8. Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2026/27 Code). This means that only the standards listed in paragraph 9 below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

9. The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) **Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)** issued in March 2024

b) **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** issued in May 2024

c) **Annual improvements to IFRS accounting standards – Volume 11** issued in July 2024

d) **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)** issued in December 2024.

It is likely there will be limited application of items a) to d), although authorities will need to consider their individual circumstances in case any of these standards apply. Further details on these changes to the Code can be found in the 2026/27 Code Consultation.

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 uncertainty regarding future levels of funding for local government, which may affect the Council's Corporate Plan and associated strategies and policies. 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 2026/2027, 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
Pensions Liability	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: ▪ A decrease in the Discount Rate of 0.1% would increase the employer liability by approximately 1.5% (£8 million) ▪ An increase in the salary increase rate of 0.1% would increase the employer liability by approximately 0.1% (£0.4 million) ▪ An increase in the pension increase rate of 0.1% would increase the employer liability by approximately 1.4% (£8.2 million) ▪ An Increase in the longevity rate of 0.1% would increase the employer liability by approximately 3.4% (£19.5 million)

Arrears	At 31 March 2026, debtors (excluding Collection Fund) totalled £30.311 million. A review of significant balances suggested that an impairment of doubtful debts of £7.723 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 £7.723 million to set aside as an allowance.
Fair Value Measurements	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.	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.
Property Plant & Equipment	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. 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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. .
Non- Domestic Rates (NDR) Appeals	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	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 its share of the overall provision of £2.980 million.

**

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 2025/2026, the CIES incurred d net revaluation increase of £2,704 million (£4,547 million increase in 2024/2025). 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 Assistant Chief Executive (Finance) & Chief Finance Officer on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing 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.

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.

			2025/26	
	Net Capital Statutory Adjustments	**Net Pensions Statutory Adjustments**	**Other Statutory Adjustments**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Adults Services	923	(1,986)	1,330	267
Chief Executives	4,002	(973)	5,771	8,800
Childrens Services	9,159	(5,403)	(5,285)	(1,529)
Environment	18,684	(3,503)	(230)	14,951
Resources	4,726	(1,191)	895	4,430
Public Heath	0		0	0
Financing	21,804	960	(12,700)	10,064
Net Cost of Services	**59,298**	**(12,097)**	**(10,218)**	**36,983**
Other Income and Expenditure		29,163		**29,163**
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	**59,298**	**17,066**	**(10,218)**	**66,146**

	2024/25			
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
Adults Services	312	(1,586)	0	(1,274)
Chief Executives	6,656	(846)	11,815	17,625
Childrens Services	1,475	(4,555)	264	(2,816)
Environment	13,324	(2,640)	17,402	28,085
Resources	0	(659)	0	(659)
Public Health	0	(246)	8	(238)
Financing	(4,727)	33	(1,176)	(5,871)
Net Cost of Services	**10,188**	**(10,651)**	**24,099**	**34,852**
Other Income and Expenditure	(36,583)	2,639	(25,025)	**(58,969)**
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	**(26,395)**	**(8,012)**	**(926)**	**(35,333)**

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 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:

2024/25 £000	Nature of Expenditure or Income	2025/26 £000
(80,170)	Fees, charges and other service income	(75,041)
(33,505)	Interest and investment income	(41,223)
(160,789)	Income from local taxation	(168,655)
(327,178)	Government grants and contributions	(344,896)
159,774	Employee benefits expenses	194,115
1,238	Support service recharge expenditure	1,177
337,137	Other service expenses	426,064
20,229	Depreciation, amortisation and impairment	14,775
35,844	Interest payments	4,822
3,063	Precepts and levies	1,571
71,061	Gain or loss on disposal of non-current assets	49,385
26.703	**Surplus or Deficit for Year**	**62,096**

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.

2025/2026	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	10637			(10,637)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	0			(0)
Changes in fair value of pooled investments	4307			(4,307)
Council tax and NDR (transfers to or from the Collection Fund)	(1000)			1,000
Holiday pay (transferred to the Accumulated Absences reserve)	882			(882)
Transfer of capital funding to finance capitalisation directive	(21,804)			21,804
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)	(65,795)		(45,714)	111,508
Total Adjustments to Revenue Resources	**(72,772)**		**(45,714)**	**118,486**
Adjustments between Revenue and Capital Resources:				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve				
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,159			(4,159)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,466			(2,466)
Total Adjustments between Revenue and Capital Resources	**6,626**	**0**	**0**	**(6,626)**
Use of the Capital Receipts Reserve to finance capital expenditure				
Application of capital grants to finance capital expenditure			32,529	(32,529)
Cash payments in relation to deferred capital receipts				
Total Adjustments to Capital Resources	**0**	**0**	**32,529**	**(32,529)**
Total Adjustments	**(66,146)**	**0**	**(13,185)**	**79,331**

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
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
Total Adjustments to Revenue Resources	**(24,762)**		**(70,123)**	**94,884**
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)
Total Adjustments between Revenue and Capital Resources	**8,360**	**(1,763)**	**0**	**(6,597)**
Adjustments to Capital Resources				
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
Total Adjustments to Capital Resources	**0**	**1,763**	**60,374**	**(62,137)**
Total Adjustments	**(16,402)**	**0**	**(9,749)**	**26,150**

General Fund Balance - The General Fund is the statutory fund into which all the receipts of an authority are required to 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 financiyear 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 2024 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2025 £000	Reserve Description	Balance 31 March 2025 £000	Transfers Out £000	Transfers In £000	Balance 31 March 2026 £000
(287)	287	(227)	(227)	Adults Services	(227)	27	0	(200)
(606)	218	0	(388)	Childrens Services	(388)	220	0	(168)
(695)	465	(55)	(285)	Chief Executives	(285)	25	0	(260)
(270)	232	(484)	(522)	Corporate Services	(395)	395	0	0
(2,924)	4,346	(3,737)	(2,315)	Environment	(2,342)	700	(3,894)	(5,536)
(3,326)	242	0	(3,584)	Finance	(3,584)	924	(1,049)	(3,710)
(6,169)	5,365	(2,880)	(3,684)	Financing	(3,784)	9,849	(11,275)	(5,209)
(2,295)	839	(403)	(1,859)	Public Health	(1,859)	647	(622)	(1,834)
(3,674)	2,819	0	(855)	Transformation	(855)	193	0	(611)
(1,234)	1,216	(2,012)	(2,030)	*Business Rates Deficit & Council Tax Income Guarantee	(2,030)	2030	0	0
(21,981)	**16,029**	**(9,797)**	**(15,749)**	**Earmarked Reserves**	**(15,749)**	**15,010**	**(16,840)**	**(17,579)**
(4,216)	1,687	(712)	(3,241)	Schools Reserves	(3,241)	1,580	(574)	(2,235)
(1,206)	2,576	(1,044)	327	Schools Reserves – DSG	327	2,621	(1,270)	1,678
(27,403)	**20,292**	**(11,553)**	**(18,664)**	**Earmarked Reserves (Including Schools)**	**(18,664)**	**19,211**	**(18,684)**	**(18,136)**
(11,183)	4,958	(3,396)	(9,621)	General Fund Balance	(9,621)	500	(5,078)	(14,199)
(38,586)	**25,250**	**(14,949)**	**(28,285)**	**Total General Fund Reserves**	**(28,285)**	**19,711**	**(23,762)**	**(32,335)**

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.

2024/25 £000		2025/26 £000
2,218	Precepts	2,490
845	Levies	896
72,179	(Gains)/losses on the Disposal of Non-Current Assets	44,320
75,242	**Total Other Operating Expenditure**	**47,707**

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.

2024/25 £000		2025/26 £000
4,161	Interest payable and similar charges	4,809
2,053	Net interest on the net defined benefit liability (asset)	1,693
(2,985)	Interest receivable and similar income	(2,239)
(6,351)	*(Income) and expenditure in relation to investment properties and changes in their fair value	(8,580)
(890)	(Gains)/losses on revaluation of pooled funds	(4,307)
(4,012)	**Total**	**(8,623)**

* Includes fair value increase of £11.025 million (£1.636 million increase 2024/2025). (Loss) on disposal of (£5.065) million (£1.119 million gain 2024/2025) and net income of £2.620 million (£3.597 million 2024/2025).

The value of financial pooled funds increased by £1.007 million in line with market conditions, compared to a rise of £0.890 million in 2024/2025.

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.

2024/25 £000		2025/26 £000
(119,206)	Council tax income	(126,388)
(41,582)	Non-domestic rates income and expenditure	(42,259)
(32,549)	Non-ringfenced government grants	(32,197)
(63,325)	Capital grants and contributions	(7,732)
(256,663)	**Total**	**(208,577)**

Council tax income increased by £7.182 million reflecting an increase in taxbase and Band D charge (in line with referendum limits. Capital grants and contributions reduced by £55.593 million reflecting a decrease in grant income recognised. See Note 33 Grant Income for analysis

Note 14A - Property, Plant and Equipment

31st March 2025 Total £'000		31st March 2026 Total £'000
223,109	Infrastructure assets (Note 14B)	219,145
499,785	Other PPE assets (Note 14C)	494,840
722,894	**Total PPE assets**	**713,985**

Note 14B – Infrastructure Assets Movements

Infrastructure Assets Movements

31st March 2025 Total £'000		31st March 2026 Total £'000
224,752	**Net carrying amount at start of year**	**223,109**
8,103	Additions	9,376
(12,861)	Depreciation for the period	(13,340)
0	Disposals	0
3,115	Reclassifications	0
223,109	**Net carrying amount at end of year**	**219,145**

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 2026

	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
at 1 April 2025	**444,106**	**57,806**	**5,742**	**6,082**	**24,266**	**538,002**
Depreciation written out on revaluation	0	0	0	0	0	**0**
Additions	3,372	6,020	0	1,073	21,643	**32,108**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,376	0	0	174	0	**2,550**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	2,646	0	0	58	0	**2,704**
Derecognition – disposals	0	(63)	0	0	0	**(63)**
Derecognition – other	(11,743)	0	0	0	(31,914)	**(43,657)**
Reclassifications and transfer	445	0	0	0	0	**445**
Other movements in cost or valuation	0	0	0	0	0	**0**
at 31 March 2026	**441,202**	**63,763**	**5,742**	**7,387**	**13,995**	**532,089**
Accumulated Depreciation and Impairment						
at 1 April 2025	**(7,360)**	**(30,857)**	**0**	**0**	**0**	**(38,217)**
Depreciation written out on revaluation	11,875	0	0	0	0	11,875
Depreciation charge	(6,711)	(4,196)	0	0	0	(10,907)
Derecognition – disposals	0	0	0	0	0	0
Derecognition – other	0	0	0	0	0	0
Reclassifications and transfers	0	0	0	0	0	0
Other movements in depreciation and impairment	0	0	0	0	0	0
at 31 March 2026	**(2,196)**	**(35,053)**	**0**	**0**	**0**	**(37,249)**

Net Book Value						
at 31 March 2026	**439,006**	**28,710**	**5,742**	**7,387**	**13,995**	**494,840**
at 31 March 2025	**436,746**	**26,949**	**5,742**	**6,082**	**24,266**	**499,785**

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 2026, 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 2025 £000	Capital Scheme	31 March 2026 £000
14,683	Highways Works	18,022
3,699	Vehicle, Plant & Equipment Programme	5,502
943	Marston Vale Business Park Infrastructure	1,777
454	Temporary Accommodation works	13,509
43,888	Wixams Railway Station	817
22,170	Schools	18,392
	Corporate Services	22,133
195	Solar Panels on Council Car Parks/Buildings	0
0	Tree Planting Schemes	341
	Cardington Road Leisure Park	575
	Strategic Water Link	2,500
	Kempston Natural Flood Management (Wesst)	370
	Corn Exchange Refurbishment	1,200
	Elstow Landfill	978
86,032	**Total**	**86,116**

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.
assets that are not formally revalued are updated through indexation using the relevant BCIS index to ensure that carrying values remain materially reflective of current market conditions.

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	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	23,874	28,710	219,145	5,742	282	13,995	291,748
Valued at current value as at:							
31/03/2025	194,883				5,123		200,006
31/03/2024	71,152				377		71,529
31/03/2023	132,852				1,605		134,457
31/03/2022	16,247						16,247
31/03/2021							0
31/03/2020							0
Total Cost or Valuation	**439,008**	**28,710**	**219,145**	**5,742**	**7,387**	**13,995**	**713,987**

Prior Year

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	12,056	28,801	223,149	5,730		24,266	279,727
Valued at current value as at:							
31/03/2025	125,593				3,889		129,482
31/03/2024	143,441				424		143,865
31/03/2023	152,178				1,605		153,783
31/03/2022	3,277			12			3,289
31/03/2021	200						200
31/03/2020					164		164
Total Cost or Valuation	**436,745**	**28,801**	**223,149**	**5,742**	**6,082**	**24,266**	**710,510**

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 2025 £000	Investment Property Income and Expenditure	31 March 2026
(4,874)	Rental income from investment property	(5,280)
1,278	Direct operating expenses from investment property	2,960
0	Other income and expenditure	0
(3,597)	**Net (gain)/loss**	**(2,320)**

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 2025			31 March 2026	
Current	Non-Current		Current	Non-Current
£000	£000	Investment Properties Movements in Year		
0	**85,531**	Opening Balance	**200**	**86,344**
		Additions:		
11	874	Purchases	40	499
(58)	(495)	Disposals	0	(5065)
0	1,636	Net gains/(losses) from fair value adjustments	0	11,025
		Transfers:		(445)
247	(247)	to/(from) Current / Non Current	0	0
	(956)	(to)/from Property Plant and Equipment	0	0
200	**86,343**	**Balance at the end of the year**	**200**	**92,358**

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 2026 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 2026
	£000	**£000**	**£000**	**£000**
	£0	**86,544**	**18,092**	**92,358**

Transfers between Levels of the Fair Value Hierarchy

During 2025/2026 £0.1million 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 Mar2025 £000	Investment Property Movements in Year	31 March 2026 £000
(15341)	Opening Balance	15,341
(556)	Reclassifications out of Investment Properties at Level 3	(445)
9	Total gains or losses for the period included in the Surplus or Deficit on the Provision of Services resulting from changes in fair value	3304
52	Additions	
(58)	Disposals	
15,341	**Balance at the end of the year**	**18,092**

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

Commercial

90 of the 95 property valuations classified as commercial are based on observable inputs evidenced by strong market information. The remaining 5 valuations, 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 £18,092 million as at 31 March 2026

. 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

Property valuations classified as rural are based on observable inputs evidenced by strong market information.

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.

31st March 2025 Total £'000		31st March 2026 Total £'000
	Balance at start of year:	
16,707	Gross carrying amounts	12,864
(10,512)	Accumulated amortisation	(7,184)
6,195	**Net carrying amount at start of year**	**5,680**
	Additions:	
1,045	Purchases	793
0	Disposals	(601)
0	Reclassifications and transfers	0
(1,560)	Amortisation for the period	(1,553)
0	Amortisation written out on reclassifications and transfers	0
5,680	**Net carrying amount at end of year**	**4,319**
	Comprising:	
12,864	Gross carrying amounts	13,008
(7,184)	Accumulated amortisation	(8,688)
5,680	**Total**	**4,320**

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 2025	31 March 2026	31 March 2025	31 March 2026	
			£000		£000
Fair value through profit and loss	33,453	33,350	0		**33,350**
Amortised cost			1,537	1,346	**1,346**
Total financial assets	**33,453**	**33,350**	**7,181**	**1,346**	**34,696**

	Current Financial Assets				
	Investments		Debtors		Total
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	
	£000		£000		£000
Amortised cost	0	0	29,750	28,981	**28,981**
Total financial assets	**0**	**0**	**29,750**	**28,981**	**28,981**

	Non-Current Financial Liabilities				
	Borrowings		Other long-term liabilities		Total
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	
	£000		£000		£000
Amortised cost	(46,231)	(59,750)	(78)	(38)	(59,788)
Total financial liabilities	**(46,231)**	**(59,750)**	**(78)**	**(38)**	**(59,788)**

	Current Financial Liabilities				
	Borrowings		Creditors		Total
	31 March 2025	31 March 2026 31	31 March 2025	31 March 2026	
	£000		£000		£000
Amortised cost	(83,724)	(42,761)	(45,279)	(45,866)	(88,628)
Total financial liabilities	**(83,724)**	**(42,761)**	**(45,279)**	**(45,866)**	**(88,628)**

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 2025		31 March 2026	
	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
Net gains/losses on:				
• financial assets measured at fair value through profit or loss	0	(890)	0	(1,007)
Total net (gains)/losses	**0**	**(890)**	**0**	**(1,007)**
Interest revenue:				
• financial assets measured at amortised cost	(2,962)	0	(2,216)	0
• other financial assets measured at fair value through other comprehensive income	(23)	**0**	(23)	**0**
Total interest revenue	**(2,985)**	**0**	**(2,239)**	**0**
Interest expense	**4,149**	**0**	**4,809**	**0**
Total Fee Expense	**1,164**	**(890)**	**2,571**	**(1,007)**

Note 17B - Financial Instruments Fair Value

Recurring Fair Value Measurements – Fair Value through Profit and Loss:	31 March 2025 £000	31 March 2026
Bond, equity and property funds	32,343	33,350
Money Market Funds	5	6
Balance 31 March	**32,348**	**33,356**

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 2025		31 March 2026	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities held at Amortised Cost	(88,278)	(87,645)	(102,511)	(102,511)
Total	**(88,278)**	**(87,645)**	**(102,511)**	**(102,511)**

Financial Assets	31 March 2025		31 March 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000		
Amortised Cost	286	286	286	286
Total	**286**	**286**	**286**	**286**

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

Note 18 - Debtors

31 March 2025		31 March 2026
£000		£000
16,184	Trade Receivables	15,656
7,742	*Prepayments	3,078
1,821	Housing Benefit Claimants	1,879
35,338	Central Government Debtors	2,604
10,055	Council Tax & NDR Debtors	10,976
8,220	Other Receivable Amounts	7,095
79,360	**Total**	**41,287**

*31st March 2025 includes nil cash payment in advance to Bedfordshire Pension Fund in respect of the fixed element secondary rate Employers Pension Contribution, the equivalent prepayment as at 31 March 2025 was £5.588 million.

Note 19 - Cash and Cash Equivalents

31-Mar-25		31-Mar-26
£000		£000
4472	Cash held by Authority	3,824
0	Short Term Investments	0
6,213	Short Term Deposits	6
-288	Bank Current Accounts	-5502
10,397	**Total Cash and Cash Equivalents**	**-1,672**

Note 20A - Creditors

31 March 2025		31 March 2026
£000		£000
(27,640)	Trade payables	(25,334)
(11,196)	Receipts In Advance	(9,756)
(7,809)	Council Tax and NDR Creditors	(9,104)
(3,691)	Accumulated Absences Accrual	(2,809)
(490)	S31 Grant due to be repaid to DLUHC/MHCLG	(660)
(18,837)	Other payables	(21,825)
(69,663)	**Total Creditors**	**(69,488)**

Note 20B – Creditors: Other Long-Term Liabilities

31 March 2025 £000		Note Ref	31 March 2026 £000
(67,159)	Pension Liability	39	(55,943)
(78)	Finance Lease Long-Term Liability	36	(38)
(10,893)	Long Term Creditors	-	(11,710)
(78,130)	**Total Creditors**		**(67,691)**

Note 21 – Provisions

Current Provisions

2025/26	Elstow Landfill Decommissioning £000	Insurance Provision £000	Non - Domestic Rates Appeal (BBC portion) £000	Compulsory Purchase Orders £000	Other £000	Total £000
Opening Balance	**-411**	**-379**	**-2,931**	**-151**	**-506**	**(4,378)**
(Increase)/decrease in provision during year		-899	-48		-742	**-1,689**
Utilised during year	8				30	**38**
Unwinding of discounting		704				**704**
Other movements	-621					**-621**
Closing Balance	**-1,024**	**-574**	**-2,979**	**-151**	**-1,218**	**-5,946**

Long Term Provisions

2024/25	Elstow Landfill Decommissioning £000	Insurance Provision £000	Total £000
Opening Balance	**(3,281)**	**-1,014**	**(4,295)**
Unwinding of discounting		-493	**-493**
Other movements	621		**621**
Closing Balance	**-2,660**	**-1,507**	**-4,167**

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:

2024/25 £000	Total Provisions	2024/25 £000
(8,284)	**Opening Balance**	**(8,673)**
914	(Increase) in provision during year	(1,641)
(520)	Utilised during year	(38)
(5)	Unwinding of discounting	210
0	Other movements	0
(8,673)	**Closing Balance**	**(10,065)**

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 2025 £000		31 March 2026 £000
0	**Balance 1 April**	**0**
(1,763)	Capital Receipts in year	(7,542)
(7)	Deferred Receipts realised	
1,770	Capital Receipts used for financing	
0	**Balance 31 March**	**(7,542)**

Capital Grants Unapplied

31 March 2025 £000		31 March 2026 £000
(13,540)	**Balance 1 April**	**(23,289)**
(70,123)	Capital grants recognised in year	(58,782)
60,374	Capital grants and contributions applied	32,528
(23,289)	**Balance 31 March**	**(49,543)**

Note 23 - Unusable Reserves

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

31 March 2025 £000		31 March 2026 £000
(171,251)	Revaluation Reserve	(574,992)
(475,710)	Capital Adjustment Account	(425,219)
(3)	Financial Instruments Adjustment Account	(3)
67,159	Pension Reserve	55,943
(358)	Deferred Capital Receipts Reserve	351
(1,177)	Collection Fund Adjustment Account	177
3,691	Accumulated Absences Account	2,809
2,657	Pooled Investment Funds Adjustment Account	2,627
(574,992)	**Total**	**(938,307)**

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

Revaluation Reserve

31 March 2025 £000		31 March 2026 £000
(152,853)	**Balance 1 April**	**(171,251)**
(29,624)	Upward revaluation of assets	(14,425)
6,827	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	
(22,797)	**Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services**	**(14,425)**
1,927	Difference between fair value depreciation and historical cost depreciation	2,645
2,471	Accumulated gains on assets sold or scrapped	
4,399	**Amount written off to the Capital Adjustment Account**	**2,645**
(171,251)	**Balance 31 March**	**(183,031)**

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 2025/2026 Property Plant and Equipment has been revalued upwards by a net movement of £14.425 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 2025 £000		31 March 2026
(2,657)	**Balance 1 April**	**(2,627)**
30	Changes in fair value of pooled investments	
(2,627)	**Balance 31 March**	**2,657**

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 2025 £000		31 March 2026 £000
(505,229)	**Balance 1 April**	(475,710)
24,851	Charges for depreciation and impairment of non-current assets	24,246
(4,547)	Revaluation losses on non-current assets	(2,704)
1,560	Amortisation of intangible assets	1,552
32,559	Revenue expenditure funded from capital under statute	9,032
	Exceptional Financial Support	21,804
70,352	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	49,385
124,775	**Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement**	**103,315**
(1,927)	Adjusting Amounts written out of the Revaluation Reserve	(2,645)
122,848	**Net written out amount of the cost of non-current assets consumed in the year**	**100,670**
(1,770)	Use of Capital Receipts Reserve to finance new capital expenditure	
(83,327)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(30,155)
(4,211)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(4,160)
(2,385)	Capital expenditure charged against the General Fund and HRA balances	(2,466)
(91,693)	**Capital financing applied in year:**	**(36,781)**
(1,636)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(13,398)
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	0
(475,710)	**Balance 31 March**	**(425,219)**

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 2025 £000		31 March 2026 £000
71,732	**Balance 1 April**	**61,579**
4,630	Remeasurements of the net defined benefit (liability)/asset	(579)
13,270	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	14,280
(22,472)	Employer's pensions contributions and direct payments to pensioners payable in the year	(24,085)
61,579	**Balance 31 March**	**51,195**

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 £10,384 million during 2025/2026. The table reconciles the movement which is explained in more detail within **Note 39**.

Deferred Capital Receipts Reserve

31 March 2025 £000		31 March 2025 £000
(364)	**Balance 1 April**	**(357)**
7	Transfer to the Capital Receipts Reserve upon receipt of cash	6
(357)	**Balance 31 March**	**(351)**

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 2025 £000		31 March 2026 £000
(3,207)	**Balance 1 April**	**(1,178)**
2,029	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	1,001
(1,178)	**Balance 31 March**	**(177)**

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 2025 £000		31 March 2026 £000
(2,985)	Interest received	(2,397)
3,842	Interest paid	4,809
857	**Total**	**2,412**

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

31 March 2025 £000		31 March 2026 £000
(24,851)	Depreciation	-10,907
4,547	Impairment and downward valuations	-2,704
(1,560)	Amortisation	-1,553
942	(Increase)/decrease in creditors	6,883
20,269	Increase/(decrease) in debtors	-36,675
9,202	Movement in pension liability	11,216
(72,823)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-9,320
1,254	Other non-cash movements charged to the surplus or deficit on provision of services	4,307
(63,018)	**Total**	**-27,846**

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

31 March 2025 £000		31 March 2026 £000
1,763	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,066
64,215	Any other items for which the cash effects are investing or financing cash flows	34,667
65,978	**Total**	**39,733**

Note 25 - Cash Flow from Investing Activities

31 March 2025 £000		31 March 2026 £000
67,771	Purchase of property, plant and equipment, investment property and intangible assets	33,400
0	Purchase of short-term and long-term investments	485,827
(1,770)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,666)
(2,000)	Proceeds from short-term and long-term investments	(492,026)
(64,158)	Other receipts from investing activities	(59,022)
(157)	**Net cash flows from investing activities**	**(37,487)**

Note 26 - Cash Flow from Financing Activities

31 March 2025 £000		31 March 2026 £000
(551,700)	Cash receipts of short term and long term borrowing	(551,700)
31	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	31
510,343	Repayments of short-term and long-term borrowing	510,343
3,852	Other payments / (receipts) for financing activities	3,852
(37,473)	**Net cash flows from financing activities**	**(24,426)**

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).

2024/25 £000	Payroll Services	2025/26 £000
(102,078)	Income	(97,722)
	Expenditure	
102,078		97,722
0	**Net Surplus/Deficit on the Agency Arrangement**	**0**

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.

2024/25	Better Care Fund	2025/26
£000		**£000**
(13,856)	Authority Funding	(13,785)
(5,980)	Partner Funding	(8,178)
(19,836)	**Total Pooled Funding**	**(21,963)**
14,009	Authority Expenditure	13,593
5,980	Partner Expenditure	8,178
19,989	**Expenditure**	**21,771**
153	**Net (Surplus)/Deficit on the Pooled Budget**	**(192)**
153	**Authority Share of the Net (Surplus) / Deficit**	**(192)**
0	**Partner Share of the Net (Surplus) / Deficit**	**0**
(2,283)	**Authority Share Accumulated (Surplus) / Deficit**	**(2,475)**
(400)	**Partner Share Accumulated (Surplus) / Deficit**	**(0)**

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

Note 29 - Members' Allowances

31 March 2025		31 March 2026
£000		**£000**
907	Allowances	964
907	**Total Members' Allowances**	**964**

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:

Senior Officer Remuneration

		Salary, Fees and Allowances £	Pension Contribution £	Total £
Chief Executive – Laura Church	**2025/26**	**194,385**	**38,683**	**233,068**
	2024/25	185,677	37,483	223,160
Executive Director of Children's, Education & Families (new title)	**2025/26**	**129,990**	**25,868**	**155,858**
Director of Childrens Services	2024/25	118,282	24,633	142,915
Executive Director of Adult Services (new title)	**2025/26**	**145,829**	**29,020**	**174,849**
Director of Adult Services	2024/25	139,036	28,127	167,164
Deputy CEX & Executive Director of Environment (new title)	**2025/26**	**166,474**	**0**	**166,474**
Director of Environment	2024/25	159,588	0	159,588
Executuve Director of Public Health (new title)	**2025/26**	**144,662**	**28,788**	**173,450**
Director of Public Health	2024/25	137,165	27,895	165,060
Executive Director of Resources (new title)	**2025/26**	**136,744**	**27,212**	**163,956**
Assistant Chief Executive (Finance)	2024/25	120,506	24,662	145,168
Service Director of Governance (Started July 2025)	**2025/26**	**79,068**	**15,734**	**94,082**
Interim Service Director of Governance (left July 2025)	2024/25	**35,898**	**7,144**	**43,042**
Interim Chief Officer for Legal, Performance and Democratic Services	2025/26	103,505	20,766	124,271
Interim Chief Officer for Legal, Performance and Democratic Services	2024/25	103,505	20,766	124,272
Director of Corporate Services	**2025/26**	**0**	**0**	**0**
Left 31 March 2024	2024/25	0	0	0
Total in 2025/26		**1,033,049**	**172,449**	**1,205,498**
Total in 2024/25		**963.759**	**163,566**	**1,127,325**

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 contribution is 19.9% of salary costs for 2025/2026 for those paying into the Local Government Pension Scheme (19.9% in 2024/2025).

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 2024/2025).

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	
	2024/25	2025/26
£50,001 to £55,000	127	102
£55,001 to £60,000	58	63
£60,001 to £65,000	70	54
£65,001 to £70,000	24	11
£70,001 to £75,000	25	27
£75,001 to £80,000	8	2
£80,001 to £85,000	10	4
£85,001 to £90,000	20	9
£90,001 to £95,000	7	16
£95,001 to £100,000	4	1
£100,001 to £105,000	4	2
£105,001 to £110,000	6	5
£110,001 to £115,000	1	1
£115,001 to £120,000	0	0
£120,001 to £125,000	2	0
£125,001 to £130,000	0	1
£130,001 to £135,000	0	0
£135,001 to £140,000	1	1
£140,001 to £145,000	2	2
£145,001 to £150,000	0	0
£150,001 to £155,000	0	0
£155,001 to £160,000	0	0
£160,001 to £165,000	1	0
£165,001 to £170,000	0	2
£170,001 to £175,000	0	0
£175,001 to £180,000	0	0
£180,001 to £185,000	0	0
£185,001 to £190,000	1	0
£190,001 to £195,000	0	1
Total	**371**	**305**

- 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	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£000	£000
£0 – £20,000	2	0	12	1	14	1	152	61
£20,001 – £40,000	0	0	3	0	3	0	97	21
£40,001 – £60,000	1	0	2	1	3	1	161	54
£60,001 – £80,000	0	0	0	0	0	0	0	70
£80,001 – £100,000	1	0	0	0	1	0	83	0
£100,001 – £150,000	0	0	0	0	0	0	0	0
£150,001 – £200,000	0	0	1	0	1	0	177	0
£200,001 - £250,000	0	0	1	1	1	1	237	248
£250,001 - £300,000	0	0	1	0	1	0	273	0
£300,001 - £350,000	0	0	1	0	1	0	310	0
Total	**4**	**0**	**21**	**3**	**25**	**3**	**1,490**	**454**
Add: Amounts provided for in CIES not included in bandings							0	0
Total cost included in CIES								454

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.

2024/25 £000		2025/26 £000
347	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	365
58	*Fees payable in respect of other services provided by external auditors during the year	65
405	**Total**	**430**

*2025/26 Includes £8,700 for the Teachers Pension Audit and £55,900 for the Housing Benefit Certification.
*2024/25 Includes £8,700 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.

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 2025/26 are as follows:

Notes	DSG Receivable for 2025/26	Central Expenditure £000s	Individual Schools Budget £000s	Total £000s
A	Final DSG before academy and high needs recoupment			251,667
B	Academy and high needs figure recouped			-136,243
C	Total DSG after academy and high needs recoupment			115,424
D	Plus: Brought forward from 2024/25	0	0	0
E	Less: Carry-forward to 2026/27 agreed in advance	0	0	0
F	Agreed initial budgeted distribution in 2025/26	35,144	80,280	115,424
G	In-year adjustments	0	-467	-467
H	Final budget distribution for 2025/26	35,144	79,813	114,957
I	Less: Actual central expenditure	37,358		37,358
J	Less: Actual ISB deployed to schools		78,951	78,951
K	Plus: Local authority contribution for 2025/26	0	0	0
L	In-year carry-forward to 2026/27	-2,214	863	-1,352
M	Plus: Carry-forward to 2026/27 agreed in advance			0
N	Carry-forward to 2026/27			0

O	DSG unusable reserve at the end of 2024/25		-327
P	Addition to DSG unusable reserve at the end of 2025/26		-1,352
Q	Total of DSG unusable reserve at the end of 2025/26		-1,678
R	Net DSG position at the end of 2025/26		-1,678

Notes	**DSG Receivable for 2024/25**	**Central Expenditure**	**Individual Schools Budget**	**Total**
		£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			**106,123**
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	**31,935**	**75,394**	**107,329**
G	In year adjustments	237	251	488
H	Final budget distribution for year	**32,172**	**75,645**	**107,817**
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	**Carry forward to 2025/26**	**(1,126)**	**800**	**(326)**
M	**Carry forward to 2025/26 already agreed**			**0**
N	**Total carry forward**			**(326)**

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.

The initial DSG allocation for 2025-26 after academy recoupment of £136.243 million is £115.424 million. The final allocation for the 2025-26 early years block will be made in July 2026 using the January 2026 census for the spring term. An assumed calculation has been made based on January Census data for Early Years setting with an decrease of £0.164 million expected and therefore included as an in year adjustment- decreasing the net allocation to £115.260 million.

The Deficit balance of £1.678 million comprises: CSSB underspend of £0.209 million due to in year underspends on EISG, Schools ISB underspend on Growth funding and carry forward of exclusions and reintegration balance £0.846 million and De-delegation £0.082 million due primarily to unspent contingency and Early years underspend of £0.877 million assuming the July 2026 January census adjustment. These underspend balances are offset by the carry forward deficit in High Needs of (£3.692 million) resulting in an overall total DSG unusable reserve of (£1.678 million) carried forward into 2026-2027 as unusable reserves.

Note 33 - Grant Income

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

31 March 2024 £000		31 March 2025 £000
(7,396)	Revenue Support Grant	(7,396)
(15,999)	Section 31 Grant	(15,999)
(1,489)	New Homes Bonus Grant	(1,489)
(7,665)	DLUHC Local Authority Support Grant	(7,665)
(4,322)	Department for Transport	(4,322)
(2,674)	Community Infrastructure Levy	(1,484)
(7,384)	Section 106 Developer Contributions	(7,384)
(24,834)	Other Grants & Contributions	(24,834)
(18,023)	Department for Education	(9,001)
(6,088)	Department for Levelling Up, Housing and Communities	(6,088)
(95,874)	**Total**	**(85,662)**

Credited to Services

31 March 2025 £000		31 March 2026 £000
(106,556)	Dedicated Schools Grants	(114,858)
(45,077)	Housing and Council Tax Benefit Administration and other Department for Work & Pensions Grants	(43,765)
(14,884)	Department for Education	(14,924)
(10,002)	Public Health Grant	(10,646)
(3,815)	Other Revenue Grants	(1,976)
(4,642)	Department for Health and Social Care	(2,935)
0	DFT	(2,100)
0	DEFRA	(3,455)
0	Department for Levelling Up, Housing and Communities	0
(11,538)	Ministry for Housing Communities and Local Government	(14,166)
(25,556)	REFCUS - Department for Education	(25,556)
(946)	REFCUS – S106 Developer Contributions	(946)
(26)	REFCUS - Other Grants & Contributions	(26)
(9)	REFCUS – Historic England	(9)
(3,215)	REFCUS - MHCLG	(3,215)
0	REFCUS – DLUHC	0
(231,305)	**Total**	**(241,471)**

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

31 March 2025 £000		31 March 2026 £000
(84)	Homes & Community Agency - Growth Area Funding	(84)
(2,808)	Department for Education	(2,954)
(2,326)	Department for Transport	(2,378)
(16,230)	Section 106 Contributions	(16,227)
(470)	Section 278 Contributions	(408)
(2,440)	Better Care Fund	(2,283)
0	Department for Levelling Up, Housing and Communities	0
(6,071)	Ministry for Housing Communities and Local Government	(5,897)
0	Salix Grant	0
(1,569)	Department for Environment and Rural Affairs	0
(326)	Other Grants	(297)
(32,322)	**Total**	**(30,528)**

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	£1,837	£11,827
Councillor Abbott	Pavenham	£988	£0
Councillor Coombes	Wixams	£0	£12,000
Councillor Gallagher Councillor Coombes	Shortstown	£13,239	£10,345
Councillor White Councillor Atiq Councillor Meader Councillor Oliver	Kempston Rural	£0	£1,830
Councillor Weir	Great Denham	£164,068	£111,761
Councillor Frost	Wilshamstead	£10,074	£0
Councillor Wheeler	Wootton	£54,105	£3,544
Councillor McMurdo	Sharnbrook	£10,200	-£1,400
Councillor Gribble	Renhold	£12,176	£0
Councillor Towler	Thurleigh	£50,999	£0
Mayor Wootton	Ravensden	£1,816	£14,812

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 was a Director of The Association of Directros of Children's Services Ltd. The Council made payments of £0 to the body in 2025/2026 (£2,350 2024/2020).

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 £2.362 million in 2025/2026 (£2.264 million in 2024/2025) for expenses incurred in administering the Fund.

As at 31 March 2026, the amount due to the Council from the Pension Fund was £0.635 million for administration services (£0.539 million as at 31 March 2025); with £2.673 million being owed by the Council to the Pension Fund for March pension contributions and the VAT which has been reclaimed on their behalf (£2.580 million as at 31 March 2025).

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 Layne, Councillor McMurdo, Councillor Oliver, Councillor Spice, Councillor Foley.

The most significant transaction during 2025/2026 between the Council and this entity was a payment of £0.078 million to House of Industry for the rent of St Peter's car park (£0.064 million in 2024/2025).

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:

- 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 2025 £000		31 March 2026 £000
169,699	**Opening Capital Financing Requirement**	**169,699**
	Capital Investment:	
63,692	Property Plant and Equipment	41,484
885	Investment Property	499
1,045	Intangible Assets	793
32,559	Revenue Expenditure Funded from Capital Under Statute	20,525
267,880	**Total Capital Spending**	**233,000**
	Sources of Finance:	
(1,770)	Capital receipts	
(83,327)	Government Grants and other contributions	(58,782)
	Sums set aside from revenue:	
(2,386)	- Direct revenue contributions	
(4,211)	- Minimum revenue provision	(4,187)
(91,694)	**Total Sources of Finance**	**(62,969)**
176,186	**Closing Capital Financing Requirement**	**170,031**

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 2025 £000		31 March 2026 £000
2,389	Increase in underlying need to borrow (supported by government financial assistance)	3,361
4,098	Increase in underlying need to borrow (unsupported by government financial assistance)	1,587
6,487	**Increase/(decrease) in Capital Financing Requirement**	**4,958**

Note 36 - Leases

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	6,533	93	6,626
Additions	0	0	0
Revaluations	213	0	(213)
Depreciation and amortisation	34	47	81
Balance as at 31 March 2025	6,286	47	6,333

	Land and Buildings	Equipment	Total
	£000	£000	£000
Balance as at 1 April 2025	6,286	93	6,379
Additions	0	0	0
Revaluations	238	0	238
Depreciation and amortisation	34	0	(34)
Balance as at 31 March 2025	6,490	93	6,583

Transactions under leases

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

31 March 2025	Comprehensive Income and Expenditure statement	31 March 2026
£000		
49	Interest Expense on lease liabilities	49
170	Expense relating to short term leases	130
219	**Total**	**179**

31 March 2025 £000	Cash flow statement	31 March 2026
31	**Minimum lease payments**	**35**

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

31 March 2025 £000		31 March 2026 £000
(89)	Less than one year	(114)
(137)	One to five years	(100)
(8)	More than five years	(7)
(234)	**Total**	**(221)**

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 2025 £000		31 March 2026 £000
3,955	Less than one year	4,126
11,337	One to five years	12,176
78,798	More than fives years	84,202
94,090	**Total**	**100,504**

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 2025/26 or 2024/25

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
2024/2025 (actual)	£5.838 million	16.48%
2025/2026 (actual)	£5.785 million	16.48%
2026/2027 (estimate)	£6.005 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
2024/2025 (actual)	£0.038 million	14.00%
2025/2026 (actual)	£0.037 million	14.00%
2026/2027 (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 2025/2026 Financial Year and comparator figures for 2024/2025. 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

Local Government Pension Fund	Discretionary Benefits Arrangements		Local Government Pension Fund	Discretionary Benefits Arrangements
£000	£000		£000	£000
		Comprehensive Income & Expenditure Statement		
		Cost of Service:		
		Service Cost Comprising:		
10,557		Current Service Cost	10,641	
33		Past Service Costs	960	
0		McCloud Adjustment	0	
		Financing and investment income and expenditure		
627		Administration Expense	788	
2,053		Net Interest expense	1,693	
13,270	**0**	**Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services**	**14,082**	**0**

		Other Post-employment Benefits charged to the Comprehensive Income & Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
(669)		Return on plan assets	(26,115)	
		Other actuarial gain/ (losses) on assets	17,346	
(1,539)		Actuarial gains and losses on demographic assumptions	(2,872)	
(88,442)		Actuarial gains and losses on financial assumptions	(22,027)	
(2,592)		Experience gain/loss on defined benefit obligation	48,199	
97,872		Other	(15,110)	
4,630	**0**	**Total Post-employment Benefits charged to the Comprehensive Income & Expenditure Statement**	**(579)**	**0**
		Movement in Reserves Statement		
(13,270)		Reversal of net charges made to the Surplus or Deficit on the Provision of Services for the post-employment benefits in accordance with the Code	(14,082)	
		Actual amount charged against the General Fund Balance for pensions in the year:		
21,768		Employers' contributions payable to scheme	24,085	
	704	Retirement benefits payable to pensioners		634

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:

2024/2025		**Pensions Assets and Liabilities Recognised on the Balance Sheet**	**2025/2026**	
Local Government Pension Fund	**Discretionary Benefits Arrangements**		**Local Government Pension Fund**	**Discretionary Benefits Arrangements**
£000	**£000**		**£000**	**£000**
(535,642)	(5,416)	Present value of the defined benefit obligation	(575,172)	(4,782)
608,097		Fair value of plan assets	650,750	
72,455	**(5,416)**	**Sub-total**	**75,578**	**(4,782)**
0		Interest on impact of asset ceiling	(7,651)	
(134,199)		Other movements in the liability (asset)	(119,089)	
(61,744)	**(5,416)**	**Net liability arising from defined benefit obligation**	**(51,162)**	**(4,782)**

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

2024/2025	**2025/2026**

Local Government Pension Fund	Discretionary Benefits Arrangements	Movement in the Value of Scheme Assets	Local Government Pension Fund	Discretionary Benefits Arrangements
£000	£000		£000	£000
582,112	**0**	**Opening fair value of scheme assets**	**608,097**	**0**
29,630		Interest Income	34,677	
		Remeasurement gain/(loss):		
669		The return on plan assets, excluding the amount included in the net interest expense	26,115	
(627)		Administration Expenses	(788)	
0		Other actuarial gain/ (losses) on assets	(17,346)	
21,768	704	Contributions from employer	24,085	634
5,223		Contributions from employees into the scheme	5,515	
(27,884)	(704)	Benefits paid	(28,704)	(634)
(2,794)		Settlement prices received/(paid)	(901)	
608,097	**0**	**Closing fair value of scheme assets**	**650,750**	**0**

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

2024/2025			2025/2026	
Local Government Pension Fund	Discretionary Benefits Arrangements	Movements of the Fair Value of Scheme Liabilities	Local Government Pension Fund	Discretionary Benefits Arrangements
£000	£000		£000	£000
(613,170)	**(6,120)**	**Opening balance as at 1 April**	**(535,642)**	**(5,416)**
(7,763)		Current service costs	(9,740)	
(29,910)		Interest cost	(28,719)	
(5,223)		Contributions from scheme participants	(5,515)	
		Remeasurement (gains) and losses:		
1,539		Actuarial gains/losses arising from changes in demographic assumptions	2,872	
88,442		Actuarial gains/losses arising from changes in financial assumptions	22,027	
2,592	0	Experience gain/loss on defined benefit obligation	(48,199)	0
(33)		Past service costs	(960)	
		McCloud Adjustment		
		Liabilities assumed/(extinguisged on settlements		
27,884	704	Benefits paid	28,704	634
0		Liabilities extinguished on settlements	0	
(535,642)	**(5,416)**	**Closing balance at 31 March**	**(575,172)**	**(4,782)**

LGPS - Pension Scheme - Assets comprised of:
Fair value of scheme assets

31 March 2025					31 March 2026			
Quoted £000	Unquoted £000	Total £000	% of Total Assets	Asset Category	Quoted £000	Unquoted £000	Total £000	% of Total Assets
				Debt Securities:				
0		0	0.0%	UK Government	0		0	0.0%
				Corporate Bonds:				
0		0	0.0%	UK	0		0	0.0%
30,405		30,405	5.0%	Overseas	45,553		45,553	7.0%
				Private Equity:				
	12,162	12,162	2.0%	All		19,523	19,523	3.0%
				Real Estate:				
	30,405	30,405	5.0%	UK Property		32,538	32,538	5.0%
				Infrastructure:				
	66,891	66,891	11.0%	All		78,090	78,090	12.0%
				Absolute Return:				
24,324		24,324	4.0%	All	0		0	0.0%
				Unit Trusts:				
	285,806	285,806	47.0%	All		331,883	331,883	51.0%
				Investment Funds and Unit Trusts:				
	54,729	54,729	9.0%	Equities		45,553	45,553	7.0%
		0		Bonds			0	0.0%
0	85,134	85,134	14.0%	Other	0	97,613	97,613	15.0%
				Cash and Cash Equivalents:				
	18,243	18,243	3.0%	All		0	0	0.0%
54,729	**553,370**	**608,099**	**100.0%**		**45,553**	**605,198**	**650,750**	**100.0%**

The significant assumptions used by the actuary have been:

2024/25	LGPS	2025/26
Long term expected rate of return on assets		
5.80%	Bonds	5.80%
5.80%	Real Estate	5.80%
4.90%	Private Equity	5.80%
4.90%	Investment Funds	5.80%
Mortality assumptions		
Longevity at retirement for current pensioners		
21.1	Men	21.2
24.0	Women	23.9
Longevity at retirement for future pensioners		
22.2	Men	22.8
25.5	Women	25.6
Other assumptions		
3.9%	Rate of increase in salaries	3.9%

Impact of assumptions on the obligation:

Increase by 1% £000	LGPS Assumption	Decrease by 1% £000
19,548	Longevity +/- 1 year	(18,835)
410	Rate of increase in salaries	(407)
8,244	Rate of increase in pensions	(6,253)
7,969	Rate for discounting scheme liabilities	8,159

Note 40 - Contingent Liabilities

At 31 March 2026, the Council had no known material contingent liabilities

Note 41 - Contingent Assets

Bedford Borough Council, incurred emergency response costs in relation to a natural gas explosion at a residential property in Cleat Hill, Bedford on 19 October 2024. Funding under the Bellwin Scheme was applied for but not approved. Therefore, the Council have allocated Exceptional Financial Support approved in principle to support the costs incurred.

The Council, is pursuing all lines of recovery of costs for this incident and this remains ongoing at the reporting date, and the timing and amount of any recovery remain uncertain.

In accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK and IAS 37, no asset has been recognised in the accounts . The claim is therefore disclosed as a contingent asset as any potential recovery cannot be reliably measured at this stage. The position will be kept under review as the recovery claim process progresses.

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 2026 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 £18.736 million is past its due date for payment. The outstanding amount can be analysed by age as follows:

Credit Risk - Debtors	**31 March 2025**	**31 March 2026**
	£000	**£000**
Less than three months	3,547	5,375
Three to six months	1,627	1,102
Six months to one year	2,468	2,362
More than one year	8,813	9.896

	16,456	**18,736**

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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 2025**	**31 March 2025**
	£000	**£000**
Less than one year	(83,724)	(42,761)
Between one and two years	(4,579)	(6,259)
Between two and five years	(8,517)	(24,061)
More Than 5 Years	(11,293)	(7,590)
More Than 10 years	(21,840)	(21,839)
	(129,953)	**(102,510)**

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 £42,761 million as at 31 March 2026 is for operational use, and is recycled on maturity in the liquid Local Authority market. As 2026/2027 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 of 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 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

Market Risk - Interest Rate Risk	**31 March 2026 £000**
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(440)
Increase in government grant receivable for financing costs	(579)
Impact on Surplus or Deficit on the Provision of Services	**(1,018)**

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 £1.668 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.

2024/25 £000		2025/26 £000
6,554	Opening Balance	6,554
0	Other Movements	0
6,554	**Closing Balance**	**6,554**

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.

2025/2026

Fund	Income £000	Expenditure £000	Assets £000	Liabilities £000
House of Industry Estate	-274	410	5,454	-224
Total	**-274**	**410**	**5,454**	**-224**

2024/2025

Fund	Income £000	Expenditure £000	Assets £000	Liabilities £000
House of Industry Estate	-276	265	5,578	-136
Total	**-276**	**265**	**5,578**	**-136**

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 2025				31 March 2026		
Business Rates	**Council Tax**	**Total**	**Collection Fund**	**Business Rates**	**Council Tax**	**Total**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
			INCOME:			
	(144,461)	(144,461)	Council Tax Receivable		(154,071)	(154,071)
(88,492)		(88,492)	Business Rates Receivable	(87,438)		(87,438)
(2,446)		(2,446)	Transitional Protection Payments Receivable	(966)		(966)
(90,939)	**(144,461)**	**(235,400)**	**Total amounts to be credited**	**(88,403)**	**(154,071)**	**(242,474)**
			EXPENDITURE:			
			Apportionment of Previous Year Surplus/Deficit:			
1,457		1,457	Central Government	(936.704)		(936.704)
1,427	1,084	2,511	Bedford Borough Council	(917.97)	950.112	32.142
29	67	96	Bedfordshire Fire & Rescue Authority	(18.734)	57.617	38.883
	154	154	Police & Crime Commisioner for Bedfordshire		135.469	135.469
			Precepts, demands and shares:			
43,803		43,803	Central Government	44,729		44,729
42,927	118,469	161,396	Bedford Borough Council	43,834	126,577	170,411
876	7,182	8,058	Bedfordshire Fire & Rescue Authority	895	7,625	8,520
	16,889	16,889	Police & Crime Commisioner for Bedfordshire		18,078	18,078
			Charges to Collection Fund:			
502	28	530	Write-offs of uncollectable amounts	465	765	1,230
(708)	995	287	Increase/(decrease) in allowance for impairment	-824	1,254	430
1,055		1055	Increase/(decrease) in allowance for appeals	98		98
238		238	Charge to General Fund for allowable collection costs for non-domestic rates	240		240
			Other transfers to General Fund in accordance with non-domestic rates regulations			
2,751		2,751	Renewable Energy	555		555
94,358	**144,869**	**239,226**	**Total amounts to be debited**	**88,119**	**155,442**	**241,563**
15		15	Opening Balance Adjustment	0		0
3434	**407**	**3841**	**(Surplus)/Deficit arising during the year including payment of previous year surplus**	**(284)**	**1,371**	**1,087**
(2,769	**(2,215)**	**(4984)**	**(Surplus)/Deficit b/f at 1 April 2024**	**665**	**(1,808)**	**(1,143)**
665	**(1,808)**	**(1,143)**	**(Surplus)/Deficit c/f at 31 March 2025**	**381**	**(436)**	**(56)**

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 2025/2026 was 64,774 Band D equivalent properties, (63,712 equivalents for 2024/2025). The taxbase calculation is shown below:

Note 1 - Council Tax Income

2025/2026

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	6,512	6/9	4,341
B	40,001 - 52,000	14,062	7/9	10,937
C	52,001 - 68,000	16,655	8/9	14,804
D	68,001 - 88,000	12,047	9/9	12,047
E	88,001 - 120,000	8,261	11/9	10,097
F	120,001 - 160,000	5,454	13/9	7,879
G	160,001 - 320,000	3,115	15/9	5,191
H	More than - 320,001	232	18/9	464
			Adjustment	(986)
			Council tax base	**64,774**

2024/25

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	**63,712**

The total non-domestic rateable value on 31 March 2026 was £211.1 million (£217.2 million as at 31 March 2025).

The non-domestic rating multiplier and the small business non-domestic rating for 2025/2026 were as follows:

a) Non-domestic rating multiplier 55.5 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:

2024/2025		Analysis of Collection Fund Balance by Major Preceptors	2025/2026	
NNDR	**Council Tax**		**NNDR**	**Council Tax**
£000	**£000**		**£000**	**£000**
332		Central Government	190	
326	(1,503)	Bedford Borough Council	186	(364)
	(214)	Police & Crime Commissioner for Bedfordshire		(52)
7	(92)	Bedfordshire Fire & Rescue Authority	4	(22)
664	**(1,809)**	**Balance at 31 March**	**380**	**(438)**

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 £0.380 million as at 31 March 2026, this compares to a deficit of £0.664 million at 31 March 2025.

Council Tax: The Council Tax element of the Collection Fund currently holds a surplus of £0.438 million as at 31 March 2026, this compares to a surplus of £1.809 million at 31 March 2025.

Bedfordshire Pension Fund

2025/2026

Bedfordshire Pension Fund 2025/2026

Fund Account for the Year Ended 31 March 2026

	See Note	2025/2026 £000	2024/2025 £000
Contributions and Benefits			
Contributions	7	170,219	160,306
Transfers in from other pension funds	8	23,432	17,377
		193,651	**177,683**
Benefits	9	(150,629)	(143,096)
Payments to and on account of leavers	10	(24,449)	(22,230)
Net additions/(withdrawals) from dealings with members		**18,573**	**12,357**
Management Expenses	11	(28,847)	(27,302)
Net additions/(withdrawals) including Management Expenses		**(10,274)**	**(14,945)**
Returns on Investments			
Investment income	12	41,522	43,772
Profit and (losses) on disposal of investments and changes in value of investments	13b	335,649	157,397
Net return on investments		**377,171**	**201,169**
Net increase/(decrease) in the fund during the year		366,897	186,224
Opening Net Assets of the Fund		3,654,497	3,468,273
Closing Net Assets of the Fund		**4,021,394**	**3,654,497**

Net Assets Statement for the Year Ended 31 March 2026

	See note	31 March 2026 £000	31 March 2025 £000
Long Term Investment Assets	*13a*	1,182	1,182
Total Long Term Investment Assets		**1,182**	**1,182**
Investment Assets	*13a*	3,984,629	3,565,169
Investment Liabilities	*13a*	(2,171)	(16,398)
Total Net Current Investments		**3,982,458**	**3,548,771**
Total Net Investments		**3,983,640**	**3,549,953**
Long Term Assets	*19*	0	0
Current Assets	*20*	42,342	108,491
Current Liabilities	*21*	(4,587)	(3,947)
Net assets of the fund available to fund benefits at the end of the Reporting Period		**4,021,394**	**3,654,497**

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 18a.

I certify that the Net Assets Statement represents a true and fair view of the Pensions Funds financial position as at 31 March 2026.

Signed:
Date: 29 May 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 2025/2026 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 2026, the total number of employees (i.e. from Councils within Bedfordshire and the other scheduled and admitted bodies) contributing to the Fund was 24,382 (24,640 - 31 March 2025), the number of pensioners was 23,969 (22,722) and the number of deferred pensioners was 34,775 (34,899).

A full list of participating bodies as at 31 March 2026 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 scheme handbook "Guides to the Local Government Pension Scheme", available from Borough Hall and available in full or in summary on the Fund's website.

2) Basis of Preparation

The accounts are compliant with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026 (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 2026 stood at £4.02 billion, a 10% increase from the balance at 31 March 2025.

The Fund remains cashflow positive in 2025/2026 despite the significant level of prepayments made in the first valuation year. Cash held at the Balance Sheet date stood at £49.2 million, equivalent to 1.2% of the Fund Assets. In addition, the Fund does not have any external borrowing and held £3.13 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 there are some performance-related fees which are disclosed in the notes to the accounts.

Where an investment manager's fee note has not been received by 31 March 2026, 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 2026.

(ii) Traded futures are valued by reference to their exchange prices as at 31 March 2026.

(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 2026. 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 2026. Exchange gains and losses arising from movements in current assets and liabilities are included in the Fund account for the year.

(vi) The fund uses derivative financial instruments to manage its exposure to foreign exchange risks arising from its investment activities. It does not hold derivatives for speculative purposes.

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 2025/2026 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 statements as a result of the adoption by the Code of a new standard that 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 18 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 2026 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 18a.
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 15.

6) Events after the Reporting Date

It was agreed at the January 2026 Pension Fund Committee that investments would be made in the Stafford International Timberland Continuation Fund and the Gresham House Forest Fund VII as well as Border to Coast’s private market programme series 3b and Global Value-

Add Real Estate series 2. They are included in the capital commitment note and will be drawn down during in the coming months and years.

7) Contributions receivable

Contributions	2025/2026 £000	2024/2025 £000
Employees' normal contributions	37,790	36,318
Employees' additional voluntary contributions	545	440
Employers' normal contributions	123,621	119,617
Employers' deficit funding	3,419	3,225
Employers' augmentation contributions	4,844	706
	170,219	**160,306**
Administering authority	23,316	21,327
Scheduled bodies	137,761	130,781
Admitted and other bodies	9,142	8,198
	170,219	**160,306**

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

Transfers in from other pension funds	2025/2026 £000	2024/2025 £000
Transfers in from other pension funds - bulk	0	0
Individual transfers from other pension funds	23,432	17,377
	23,432	**17,377**

9) Benefits Payable

Benefits	2025/2026 £000	2024/2025 £000
Pensions	119,114	112,959
Commutations of pensions and lump sum retirement benefits	27,824	25,740
Lump sum death benefits	3,691	4,397
	150,629	**143,096**
Further analysed as:		
Administering authority	20,836	19,286
Scheduled bodies	113,966	109,158
Admitted and other bodies	15,827	14,652
	150,629	**143,096**

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

10) Payments To and On Account of Leavers

Payments to and on account of leavers	2025/2026 £000	2024/2025 £000
Refunds of contributions	396	302
Transfers to other schemes – bulk	2,758	1,864
Transfers to other schemes – individuals	21,287	20,005
Annual Allowance - Tax Charge	8	59
Lifetime Allowance - Tax Charge	0	0
	24,449	**22,230**

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

Management Expenses	2025/2026 £000	2024/2025 £000
Administrative Costs	2,706	2,328
Investment Management Expenses	24,057	23,444
Oversight and Governance Costs	2,084	1,530
	28,847	**27,302**

The audit scale fee for the audit of the 2024/2025 financial statements which took place during 2025/2026 and is included within oversight and governance costs was £0.107m (prior year £0.095m).

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

	2025/2026			2024/2025		
Investment Management Expenses	Total £000	Management £000	Performance £000	Total £000	Management £000	Performance £000
Border to Coast	15,645	13,260	2,385	17,355	14,674	2,681
BlackRock	9	9	0	95	95	0
CBRE	1,207	1,207	0	1,364	1,364	0
Gresham House	1,869	1,869	0	1,347	1,347	0
Insight	2,100	2,100	0	396	396	0
Legal and General	335	335	0	305	305	0
Newton	235	235	0	797	797	0
Pantheon	225	225	0	236	236	0
PIMCO	1,091	1,091	0	1,052	1,052	0
Standard Life / Patria	1,129	1,129	0	353	353	0
Custody Fees	212	212	0	136	136	0
Other	0	0	0	8	8	0
	24,057	**21,672**	**2,385**	**23,444**	**20,763**	**2,681**

The Border to Coast fees include management fees, performance fees and Border to Coast costs.

12) Investment Income

Investment Income	2025/2026 £000	2024/2025 £000
Income from pooled investment vehicles	38,316	37,381
Interest on cash deposits	3,206	6,391
	41,522	**43,772**

13) Investments

13a Investments 2025/2026

Investments	Note	31 March 2026 £000	31 March 2025 £000
Pool Share Capital		1,182	1,182
Total Long Term Investments		**1,182**	**1,182**
Equities – Unitised Insurance Policies		1,132,931	994,578
Equities- ACS/Unit Trust		0	726,706
Equities – Managed Fund		1,203,727	277,048
Fixed Income – ACS/Unit Trust		283,012	184,395
Multi Asset Credit – ACS/Unit Trust		405,634	380,988
Absolute Return – ACS/Unit Trust		0	154,340
Liquidity Fund		16,449	0
Property Unit Trusts		199,582	177,618
Private Equity		100,289	79,542
Private Credit		135,668	122,729
Infrastructure		462,987	409,999
Climate Opportunities		20,856	15,926
Total Managed and Unitised Funds		**3,961,135**	**3,523,869**
Derivative Contracts		**1,426**	**0**
Cash deposits		21,223	40,809
Amount receivable for sales of investments		845	491
Total Cash and Other Investment Assets		**22,068**	**41,300**
Payable for Purchases		(2,171)	(16,398)
Total Other Liabilities		**(2,171)**	**(16,398)**
Total		**3,983,640**	**3,549,953**

13b - Value of Investments 2025/2026

2025/2026	Market Value at 31 March 2025 £000	Purchases at cost & derivative payments £000	Sale proceeds & derivative receipts £000	Change in Market Value £000	Market Value at 31 March 2026 £000
Long-Term Investments					
Pool Share Capital	1,182	0	0	0	1,182
Total Long-Term Investments	**1,182**	**0**	**0**	**0**	**1,182**
Pooled Investment Funds					
Equities – Unitised Insurance Policies	994,578	0	(30,000)	168,353	1,132,931
Equities – ACS/Unit Trust	726,706	0	(731,111)	4,405	0
Equities – Managed Fund	277,048	838,049	(71,736)	160,366	1,203,727
Fixed Income – ACS/Unit Trust	184,395	120,000	(30,824)	9,441	283,012
Multi Asset Credit – ACS/Unit Trust	380,988	9,433	(1,749)	16,962	405,634
Absolute Return – ACS/Unit Trust	154,340	0	(161,911)	7,571	0
Liquidity Fund	0	92,050	(76,158)	557	16,449
Property Unit Trusts	177,618	81,995	(60,963)	932	199,582
Private Equity	79,542	34,652	(24,040)	10,135	100,289
Private Credit	122,729	27,205	(13,163)	(1,103)	135,668
Infrastructure	409,999	61,299	(18,644)	10,333	462,987
Climate Opportunities	15,926	6,245	(1,764)	449	20,856
Total Pooled Investment Funds	**3,523,869**	**1,270,928**	**(1,222,063)**	**388,401**	**3,961,135**
Derivative Contracts	**0**	**148,175**	**(93,237)**	**(53,512)**	**1,426**
Total	**3,525,051**	**1,419,103**	**(1,315,300)**	**334,889**	**3,963,743**
Other Investment Balances					
Cash Deposits	40,809			760	21,223
Amount receivable for sales of investments	491				845
Payable for Purchases	(16,398)				(2,171)
Total Net Investments	**3,549,953**			**335,649**	**3,983,640**

Derivative contracts relate to forward foreign exchange currency contracts and are reported as gross receipts and payments.

13c Investments Analysed by Fund Manager

Fund Manager	31 March 26 £000	31 March 26 %	31 March 25 £000	31 March 25 %
Investments Managed by BCPP				
BCPP – Climate Opportunities	20,856	0.52%	15,926	0.45%
BCPP – Global Equities	283,803	7.12%	277,048	7.80%
BCPP – Infrastructure	355,466	8.92%	300,960	8.48%
BCPP – Multi Asset Credit	241,611	6.07%	224,785	6.33%
BCPP – Multi Factor Equity Index	919,924	23.09%	0	0.00%
BCPP – Private Credit	135,668	3.41%	122,729	3.46%
BCPP – Private Equity	56,703	1.43%	28,214	0.80%
BCPP – UK Real Estate	43,397	1.09%	0	0.00%
BCPP – Real Estate	29,936	0.75%	8,169	0.23%
BCPP Total	**2,087,364**	**52.40%**	**977,831**	**27.55%**
Investments Managed Outside of BCPP				
Legal & General – Global Equities	817,699	20.53%	720,648	20.30%
Legal & General – UK Equities FTSE 250	81,629	2.05%	72,341	2.04%
Legal & General – UK Equities Future World	233,603	5.86%	201,589	5.68%
BlackRock – Global Equities	0	0.00%	625,617	17.62%
BlackRock – Emerging Markets Equities	0	0.00%	101,089	2.85%
CBRE – Indirect Property	126,249	3.17%	169,449	4.77%
Insight – Absolute Return Bonds	283,012	7.10%	184,395	5.19%
Insight – Liquidity Fund	16,449	0.41%	0	0.00%
Insight – Derivative Contracts	1,426	0.04%	0	0.00%
Newton – Absolute Return Multi-Asset	0	0.00%	154,340	4.35%
Patria (was abrdn) – Private Equity	43,586	1.09%	51,328	1.45%
Pantheon – Real Assets	14,051	0.35%	17,788	0.50%
PIMCO – Diversified Income Fund	164,023	4.12%	156,203	4.40%
Gresham House – Infrastructure	93,470	2.35%	91,251	2.57%
Pool Share Capital – Equities	1,182	0.03%	1,182	0.03%

Fund Manager	31 March 26 £000	31 March 26 %	31 March 25 £000	31 March 25 %
Unpooled Total	**1,876,379**	**47.10%**	**2,547,220**	**71.75%**
Cash held with Fund Managers	3,553	0.09%	1,978	0.06%
Debtors due from Fund Managers	845	0.02%	491	0.01%
Creditors due to Fund Managers	(2,171)	(0.05%)	(16,398)	(0.46%)
Due to / (from) Fund Managers Total	**2,227**	**0.06%**	**(13,929)**	**(0.39%)**
Cash held with Fund Custodian	**17,670**	**0.44%**	**38,831**	**1.09%**
Total Net Investments	**3,983,640**	**100.00%**	**3,549,953**	**100.00%**

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

Managed and Unitised Investment	31 March 2026 £000	% of Total Market Value	31 March 2025 £000	% of Total Market Value
LGIM Future World Global Equity	817,699	20.33%	720,648	19.72%
BlackRock ACS World Low Carbon Equity Fund	0	0.00%	625,617	17.12%
Border to Coast Infrastructure	355,466	8.84%	300,960	8.24%
Border to Coast Global Equity Alpha	283,803	7.06%	277,048	7.58%
Border to Coast Multi Asset Credit	241,611	6.01%	224,785	6.15%
Border to Coast Multi Factor Equity Index	919,924	22.88%	0	0.00%
LGIM UK Future World Equity Index	233,603	5.81%	201,589	5.52%
Insight Responsible Horizons	283,012	7.04%	184,395	5.05%

13.e Stock Lending

The Fund did not undertake any stock lending during 2025/2026.

14) Analysis of Derivatives

Objectives and policies for holding derivatives

A significant proportion of the fund’s investment portfolio is in overseas stock. Forward foreign currency contracts, where the fund hedges against its foreign currency exposure, were introduced in April 2025 to reduce the volatility associated with fluctuating currency rates.

Open forward currency contracts are as follows:

Settlement	Currency bought	Local value '000	Currency sold	Local value '000	Asset value £000	Liability value £000
Up to one month	USD	278,960	GBP	(204,949)	6,572	0
	JPY	26,332,900	GBP	(125,603)	135	0
	CAD	167,450	GBP	(91,020)	53	0
	GBP	204,849	USD	(278,960)	0	(6,672)
	GBP	168,558	JPY	(35,243,700)	270	0
	GBP	35,575	EUR	(40,910)	0	(203)
	GBP	130,516	CAD	(239,560)	223	0
One to three months	USD	176,560	GBP	(129,939)	4,087	0
	JPY	16,703,300	GBP	(79,939)	19	0
	CAD	139,530	GBP	(76,850)	0	(814)
	GBP	130,068	USD	(176,750)	0	(3,958)
	GBP	165,906	JPY	(34,542,400)	446	0
	GBP	71,490	EUR	(82,040)	0	(400)
	GBP	156,515	CAD	(284,154)	1,668	0
Open forward currency contracts at 31 March 2026					**13,473**	**(12,047)**
Net forward currency contracts at 31 March 2026						**1,426**
Open forward currency contracts at 31 March 2025						0
Net forward currency contracts at 31 March 2025						0

15) 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

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
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
Non-investment current assets and current liabilities (carried at amortised cost)	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
Pooled investments - property funds unquoted	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

Asset Type	Level	Valuation Basis	Observable and Unobservable Inputs	Key Sensitivities
				audited and unaudited accounts
Alternative Assets (Private Equity, Private Credit and Infrastructure)	3	Comparable valuation of similar companies e.g. in accordance with *International Private Equity and Venture Capital Valuation Guidelines (2018)*	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 2026.

15a Level 3 Assets

Assets*	Valuation Range +/-	Value at 31 March 2026 £000	Valuation Increase £000	Valuation Decrease £000
Private Equity	15	100,289	115,332	85,246
Infrastructure	15	462,987	532,435	393,539
Property	10	66,686	73,355	60,017
Private Credit	15	135,668	156,018	115,318
Climate Opportunities	15	20,856	23,984	17,728
		786,486	**901,125**	**671,847**

**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

Assets and liabilities at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Investments classified as level 1 comprise of quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

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.

Table 15b(i) - Analysis of Asset Levels at 31 March 2026

	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Total £000
Financial Assets				
Financial assets at fair value through profit and loss	0	3,132,678	831,065	**3,963,743**
Financial assets at amortised cost	22,068	0	0	**22,068**
Total Financial Assets	**22,068**	**3,132,678**	**831,065**	**3,985,811**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(2,171)	0	0	**(2,171)**
Total financial liabilities	**(2,171)**	**0**	**0**	**(2,171)**
Net financial assets	**19,897**	**3,132,678**	**831,065**	**3,983,640**

Table 15b(ii) - Analysis of Asset Levels at 31 March 2025

	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Total £000
Financial Assets				
Financial assets at fair value through profit and loss	0	2,814,860	710,191	**3,525,051**
Financial assets at amortised cost	41,300	0	0	**41,300**
Total Financial Assets	**41,300**	**2,814,860**	**710,191**	**3,566,351**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	0	0	0	0
Financial liabilities at amortised costs	(16,398)	0	0	**(16,398)**
Total financial liabilities	**(16,398)**	**0**	**0**	**(16,398)**
Net financial assets	**24,902**	**2,814,860**	**710,191**	**3,549,953**

The following assets have been carried at cost (£1,182,000 in 2024/2025):

Table 15c - Share Capital

Values at 31 March 2026	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Share Capital in Border to Coast Pool	0	0	1,182	1,182
Investments held at cost	**0**	**0**	**1,182**	**1,182**

Table 15d - Reconciliation of Fair Value Measurement within Level 3

	1 Apr 2025 £000	Purchases £000	Sales £000	Unrealised Gains/Losses £000	Realised Gains/Losses £000	31 Mar 2026 £000
Private Equity	**79,542**	34,652	(24,040)	(1,135)	11,270	**100,289**
Infrastructure	**409,999**	61,299	(18,644)	1,260	9,073	**462,987**
Property	**80,813**	67,419	(39,452)	(2,474)	3,778	**110,084**
Private Credit	**122,729**	27,206	(13,163)	(2,377)	1,273	**135,668**
Climate Opportunities	**15,926**	6,245	(1,764)	150	299	**20,856**
	709,009	**196,821**	**(97,063)**	**(4,576)**	**25,693**	**829,884**

There have been no transfers in or out during the year.

16) 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.

	2025/2026			2024/2025		
	Fair value through profit & loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000	Fair value through profit & loss £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000
Financial Assets						
Equities – Unitised Insurance Policies	1,132,931	0	0	994,578	0	0
Equities – ACS/Unit Trust	0	0	0	726,706	0	0
Equities- Managed Fund	1,203,727	0	0	277,048	0	0
Fixed Income – ACS/Unit Trust	283,012	0	0	184,395	0	0
Multi Asset Credit – ACS/Unit Trust	405,634	0	0	380,988	0	0
Absolute Return – ACS/Unit Trust	0	0	0	154,340	0	0
Liquidity Fund	16,449	0	0	0	0	0
Property Unit Trusts	199,582	0	0	177,618	0	0
Private Equity	100,289	0	0	79,542	0	0
Private Credit	135,668	0	0	122,729	0	0
Infrastructure	462,987	0	0	409,999	0	0
Climate Opportunities	20,856	0	0	15,926	0	0
Derivative Contracts	1,426	0	0	0	0	0
Pool Share Capital	1,182	0	0	1,182	0	0
Cash held for investment	0	21,223	0	0	40,809	0
Receivable for sales	0	845	0	0	491	0
Cash – current assets	0	28,012	0	0	94,871	0
	3,963,743	**50,080**	**0**	**3,525,051**	**136,171**	**0**
Financial Liabilities						
Other liabilities	0	0	(1,397)	0	0	(964)
Other investment liabilities	0	0	(2,171)	0	0	(16,398)
	0	**0**	**(3,568)**	**0**	**0**	**(17,362)**
	3,963,743	**50,080**	**(3,568)**	**3,525,051**	**136,171**	**(17,362)**

The table above will not reconcile to the net asset statement as non-financial instruments are excluded.

Net Gains and Losses on Net Gains and Losses on Financial Instruments

	2025/2026 £000	2024/2025 £000
Financial Assets		
Designated at fair value through profit and loss	335,649	157,397

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

17) 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.

Table 17a - Exposure to Interest Rate Risk

Asset type	Carrying value at 31/03/2026 £000	+100 bps £000	-100 bps £000	Carrying value at 31/03/2025 £000	+100 bps £000	-100 bps £000
Fixed interest securities	688,647	6,886	(6,886)	565,383	5,654	(5,654)
Cash & cash equivalents	49,235	492	(492)	135,680	1,357	(1,357)
Total	**737,882**	**7,379**	**(7,379)**	**701,063**	**7,011**	**(7,011)**

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 2026 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

Table 17b(i) - Currency Risk by Asset Class 2025/2026

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Overseas Equities	2,021,426	6.00%	2,142,712	1,900,140
Overseas Fixed Income	283,012	6.00%	299,993	266,031
Overseas Multi Asset Credit	405,634	6.00%	429,972	381,296
Overseas Alternatives	626,329	6.00%	663,909	588,749
Overseas Cash	6,734	6.00%	7,138	6,330
Total	**3,343,135**		**3,543,723**	**3,142,547**

Table 17b(ii) - Currency Risk by Asset Class 2024/2025

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
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
Total	**2,992,305**		**3,171,843**	**2,812,767**

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 2025/2026 reporting period.

Asset Type	% Change
UK Equities	14.0%
Overseas Equities	14.0%
Property	15.0%
Absolute Return Bonds	10.0%
Gilts	10.0%
Private Equity	25.0%
Private Credit	15.0%
Infrastructure	25.0%
Cash and Liquidity Funds	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 17c(i) - Exposure to market fluctuations 2025/2026

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £000
Equities	2,336,658	14.0	2,663,790	2,009,526
Fixed income	283,012	12.0	316,973	249,051
Multi Asset Credit	405,634	12.0	454,310	356,958
Liquidity Fund	16,449	1.0	16,613	16,285
Property	199,582	15.0	229,519	169,645
Private Equity	100,289	25.0	125,361	75,217
Private Credit	135,668	15.0	156,018	115,318
Infrastructure	462,987	25.0	578,734	347,240
Climate Opportunities	20,856	25.0	26,070	15,642
Cash	21,223	1.0	21,435	21,011
Total	**3,982,358**		**4,588,823**	**3,375,893**

Table 17c(ii) - Exposure to market fluctuations 2024/2025

Asset Type	Value £000	Change %	Value on Increase £000	Value on Decrease £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
Total	**3,564,678**		**4,099,552**	**3,029,806**

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 cash funds total £49 million representing 1.2% of the Fund, the other Level 1 and 2 funds amount to £3.13 billion.

18) 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 2026 and the assumptions made in the valuation.

Actuary Statement

Introduction

The last full triennial valuation of the Bedfordshire Pension Fund (the Fund) was carried out as at 31 March 2025 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement (FSS) of the Fund. The results were published in the triennial valuation report dated 27 March 2026.

Asset value and funding level

The results for the Fund at 31 March 2025 were as follows:

- The smoothed value of the Fund's assets for funding purposes as at 31 March 2025 was £3,722 million.
- The Fund had a funding level of 102% i.e. the value of assets for valuation purposes was 102% 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 surplus of £58 million.

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 revaluation and increases to pensions in payment when these fall due, plus or minus and amount to reflect each participating employers particular circumstances and the funding strategy set out in the FSS.

The primary rate of contribution on a whole Fund level was 16.7% of payroll p.a. when measured using the ongoing funding basis for all employers (the weighted average by payroll of the individual employers' primary rates is 16.9% of payroll p.a.). The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing and is payable in each of the three years beginning 1 April 2026.

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 Appendix 8 of the triennial valuation report.

Assumptions

The key assumptions used to value the liabilities at 31 March 2025 are summarised below:

Assumptions	Assumptions used for the 2025 valuation
Financial assumptions	
Market date	31 March 2025
CPI inflation	2.7% p.a.
Long-term salary increases	3.7% p.a.
Discount rate	5.0% p.a.
Demographic assumptions	
Post-retirement mortality	
Base tables for pensioners / dependents	S4PA / S4DA tables
Projection model	CMI_2024
Long-term rate of improvement	1.5% p.a.
Initial addition to improvements	0.0% p.a.
Overlay half-life	1 year

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 2025 valuation report and accompanying advice documents.

Updated position since the 2025 valuation

Assets

Investment returns on the Fund's assets over the year to 31 March 2026 have been higher than assumed at the 31 March 2025 actuarial valuation. This has increased the market value of the assets since the last actuarial valuation.

Liabilities

Overall, the value of the Fund's liabilities have increased over the year to 31 March 2026. This is primarily due to interest accruing on those liabilities.

Overall position

Both the value of the assets and the liabilities are estimated to have increased over the year to 31 March 2026. The assets have been estimated to have increased at a higher rate than the liabilities and so the funding level has been estimated to have increased over the year to 31 March 2026.

The Fund also continues to monitor the funding level using LGPS Monitor on a regular basis.

Melanie Durrant FFA
Partner, Barnett Waddingham LLP

18a) 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.

	31 March 2026 £000	31 March 2025 £000
Present Value of the defined benefit obligation	(3,324,982)	(3,001,158)
Fair Value of Fund Assets (bid value)	4,021,394	3,654,497
Net (Liability) / Asset	**696,412**	**653,339**

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 18), 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.

Assumptions	2025/2026 % pa	2024/2025 % pa
Discount Rate	6.15	5.85
Pension Increases	2.90	2.95
RPI Inflation	3.30	3.20
Salary Increases	3.90	3.95

The sensitivity of the assumptions on the present value of the defined benefit obligation of £3,324,982 have been calculated in the table below:

Sensitivity to:	£000 +0.1%	£000 -0.1%
Discount Rate	(3,276,693)	(3,374,463)
Long Term Salary Increases	(3,326,885)	(3,323,089)
Pension Increases and deferred revaluation	(3,375,586)	(3,285,611)
	+1 year	**-1 year**
Life Expectancy Assumptions	(3,440,438)	(3,213,943)

19) Long Term Debtors

As at 31 March 2026 the Fund had no long term debtors (31 March 2025 nil).

20) Current Assets

Current Assets	2025/2026 £000	2024/2025 £000
Contributions due from Administering Authority	1,893	1,837
Contributions due from other scheme employers	10,670	10,498
Other payments due from Administering Authority	49	0
Other	1,718	1,285
	14,330	**13,620**
Cash	28,012	94,871
Current Assets	**42,342**	**108,491**

The cash balance of £28.012 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.

21) Current Liabilities

Current Liabilities	2025/2026 £000	2024/2025 £000
Administration costs etc. due to Administering Authority	635	547
Investment managers' fees	626	304
Other professional fees	156	109
Amounts due to HMRC	1,920	1,699
Other	1,250	1,288
Current Liabilities	**4,587**	**3,947**

There are no amounts due in more than one year.

22) 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.

Additional Voluntary Contributions	2025/2026 £000	2024/2025 £000
Value at 1 April	**7,817**	**6,880**
Income		
Contributions received	2,138	1,822
Transfers received	135	115
Expenditure		
Retirements	(1,829)	(1,203)
Transfers values paid	(15)	(3)
Net Income and Expenditure	**429**	**731**
Change in market value	765	206
Value at 31 March	**9,011**	**7,817**

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.

Breakdown of AVC providers

	Prudential £000	Standard Life £000	Total £000
Value at 1 April 2025	**7,326**	**491**	**7,817**
Income			
Contributions received	2,137	1	2,138
Transfers received	135	0	135
Expenditure			
Retirements	(1,679)	(150)	(1,829)
Transfers values paid	0	(15)	(15)
Net Income and Expenditure	**593**	**(164)**	**429**
Change in market value	716	49	765
Value at 31 March 2026	**8,635**	**376**	**9,011**

23) 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.

Committee Members

Six pension fund committee members are in receipt of pension benefits from the Bedfordshire 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 and Bedford Citizens Housing Association Limited.
- Councillor Wenham is a Director at Raynsford Church of England Academy, 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 2025/2026.

Bedford Borough Council

The only material related party transactions during 2025/2026 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 20 and 21.

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 2025/2026 these amounted to £2.362 million (2024/2025 £1.926 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 2025/2026, £3.0 million (2024/2025 £3.1 million) was paid and recovered from employers.

Key Management Personnel

There were three senior officers of Bedford Borough Council involved in the financial management of Bedfordshire Pension Fund during the year. They are the Executive Director for Resources, the Fund Administrator and the Service Director 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. The Executive Director for

Resources and the Service Director are both active members of Bedfordshire Pension Fund. The Fund Administrator is in receipt of pension benefits and left employment in February 2026. In 2025/2026, their remuneration was as follows:

	2025/2026 £000	2024/2025 £000
Short-term benefits	167	153
Post-employment benefits	22	19
Termination benefits	25	0
	214	**172**

24) Contingent Liabilities and Contractual Commitments

There were no material contingent liabilities as at 31 March 2026. But there were outstanding capital commitments to investment vehicles of up to £1,013.6 million (31 March 2025: £712.0 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:

Contingent Liabilities and Contractual Commitments

Estimates at 31 March	GBP Commitments 31 March 2026 £000	GBP Commitments 31 March 2025 £000
Border to Coast – Climate Opportunities	14,309	19,055
Border to Coast – Infrastructure	204,028	187,042
Border to Coast – Private Credit	241,173	188,788
Border to Coast – Private Equity	169,783	131,467
Border to Coast – Global Real Estate	211,761	110,612
Border to Coast – UK Real Estate	28,600	0
Pantheon	3,081	3,131
Patria (formerly Abrdn)	49,153	55,573
Gresham House – BSIF	1,796	16,315
Gresham House – Forestry Fund	50,000	0
Stafford Capital Timberland	39,887	0
Total	**1,013,571**	**711,983**

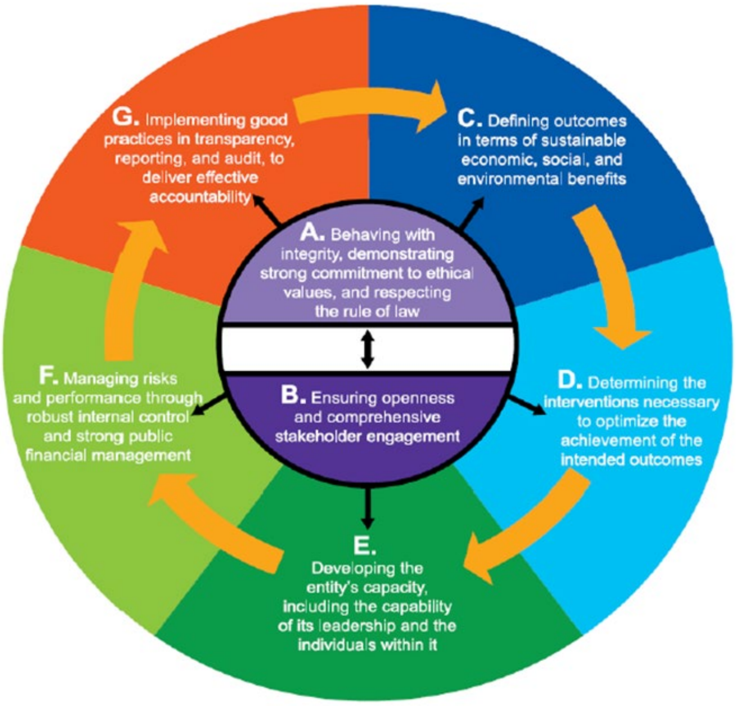
Annual Governance Statement 2025/2026

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

The Annual Governance Statement (AGS) is a statutory document, which assesses the governance arrangements in place to enable us to carry out our functions effectively. Regulation 6(1b) of the Accounts and Audit Regulations 2015 requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare an AGS.

The AGS reports publicly on the effectiveness of governance and internal control arrangements and how we have complied with our Local Code of Corporate Governance, including how we monitor effectiveness. The Governance Framework was in place at Bedford Borough Council for the year ended 31 March 2026, and up to the date of approval of the annual statement of accounts. Overall, the Council's governance arrangements remain fit for purpose.

The Council has approved and adopted its Local Code of Corporate Governance, which is consistent with the seven principles of the Chartered Institute of Public Finance and 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 2025/2026, actions were included in relation to Financial Resilience, Constitution Review, Capital Programme, Procurement and Contract Management, Information Governance, and Capacity.

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

To be inserted when external audit is complete.