



The Lodge (RSPB), Sandy

Central Bedfordshire Council Statement of Accounts 2024/25

A great place to live and work.

STATEMENT OF ACCOUNTS 2024/25

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Director of Finance’s Narrative Report

A. Background

This document presents the statutory financial statements for Central Bedfordshire Council (the Council) for the period 1 April 2024 to 31 March 2025 and provides a summary of the overall financial position of the Council, giving a true and fair view (subject to audit).

The Council is required by statute to prepare a Statement of Accounts in accordance with proper practices. The Statement of Accounts has been produced for the Council based on UK adopted International Accounting Standards and prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (“the Code”).

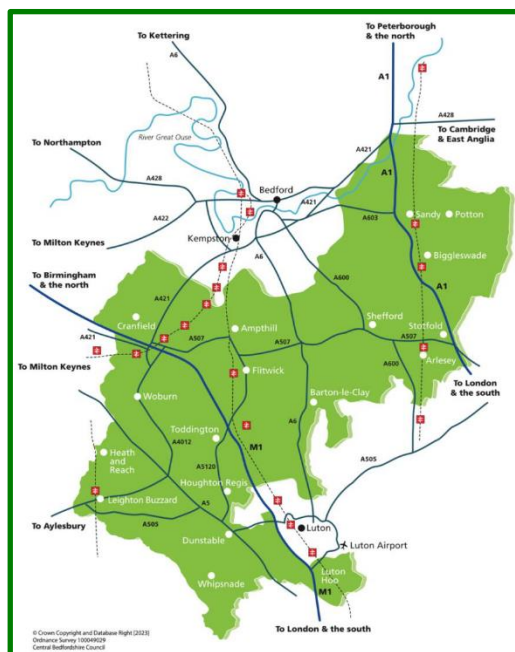
The Statement of Accounts and the supporting notes explain the Council's finances for the financial year 2024/25 and its financial position at the year end. This document follows approved accounting standards and is necessarily technical in parts. Comparative numbers are also provided for the financial year 2023/24 throughout.

B. About Central Bedfordshire

An Introduction to Central Bedfordshire

Central Bedfordshire is a unitary authority serving a growing population of over 308,000 residents, based on mid-2023 population figures published by the Office for National Statistics (ONS). This is an increase of 2.1% from the mid-2022 values and shows a consistent pattern with the prior year. It is a largely rural area covering 716 square kilometres or 276 square miles.

Central Bedfordshire has many attractive market towns and villages which complement the beautiful local countryside, boasting 30 sites of special interest and 14 nature reserves. On the doorstep are the Chiltern Hills, Dunstable Downs, Greensand Ridge and the Forest of Marston Vale, all areas of outstanding natural beauty.



The area has excellent road and rail transport links. The A1, M1 and A428 connect north, south, east and west. Three major rail lines run through Central Bedfordshire, connecting the area directly with two international airports; the journey to the centre of London can be undertaken in approximately 35 minutes.

Amongst the area's amenities are Woburn Safari Park, Whipsnade Zoo, Center Parcs and Woburn Abbey, which bring people from all over the country to Central Bedfordshire every year. The area also hosts Cranfield University; a post-graduate public research university specialising in science and engineering.

Central Bedfordshire is a popular place to live with a growing population. The area attracts new families, and Central Bedfordshire wants to remain a place that is sustainable, affordable, and family friendly.

The area is generally prosperous. Employment levels continue to be above the national average, 82.8% in Central Bedfordshire compared to the Great Britain average of 78.4% (as of September 2024). People living in Central Bedfordshire earn more than the national average, at gross pay of £829 per week compared to the Great Britain average of £730. This is in part influenced by some residents commuting out of the area – primarily to Hertfordshire, Luton, London, and Milton Keynes.

Understanding Central Bedfordshire

Central Bedfordshire's Strategic Plan looks to create an inclusive, sustainable and resilient community where everyone has the opportunity to thrive and contribute to the collective well-being. [Read the Strategic Plan 2024-2027](#). Under the core aims:

Get the right homes in the right places and ensure housing growth and infrastructure are carefully considered

- The Council's population is predicted to grow to 318,000 by 2035 (3% growth), according to ONS forecasts. The rate of population growth is expected to be higher for older people, those aged 65+ than at the other end of the spectrum.
- Key to this population growth is ensuring that there is sufficient quality housing and infrastructure to meet this demand. The Council adopted a Local Plan in 2021 which seeks to deliver 24,000 new jobs and 39,350 new homes across Central Bedfordshire. The Council is in the process of updating the Local Plan to take account of significant changes to national and local policy and is considering new housing and job requirements. During 2024/25 the Council undertook a 'Call for Sites' and sought public engagement on suggesting the right places for future development – it is expected that the new Local Plan will be adopted by December 2028.
- Central Bedfordshire spent £4.5M of the £26.7M levelling-up funding secured from Central Government on a community wellbeing hub in the year. The Government's levelling-up fund is designed to combat regional inequality by investing in infrastructure that "brings pride to a local area".



Be ambitious in our plans towards improving and maintaining the roads and travel network

- Central Bedfordshire is a hub of thriving market towns spanning from Leighton Buzzard and Dunstable, to Biggleswade and Sandy, served by Junctions 11 – 13 of the M1 and the A1 corridor.
- Created following local government reorganisation and Bedford becoming a separate unitary authority, Central Bedfordshire is at the heart of the UK's motorway, rail, and air networks, located just 30 minutes from London with commercial rents less than half the price of those in the capital.
- The Highways Service is responsible for maintaining all associated highway assets across Central Bedfordshire, including bridges, rights of way, traffic signals, gullies, and streetlighting. The service delivers annual routine and reactive maintenance, as well as capital improvements to those assets.
- Key achievements for 2024/25 include:
 - Resurfacing Works: Completed resurfacing of 28 schemes
 - Surface Dressing: Completed 17 footway resurfacing schemes
 - Pothole Repairs: Repaired approximately 2,000 potholes
 - Footway Improvements: Upgraded 12 footway schemes to enhance accessibility.
 - Drainage Works: Cleaned more than 19,000 gullies to mitigate flooding risks.
 - Traffic Management Upgrades: Installed or upgraded 43 Integrated Transport Schemes
 - Lighting: Repaired or replaced more than 500 streetlights.
- During 2024/25, the Service has also received fewer reports of potholes—3,555 reports from April until the end of January, compared to 4,677 in the previous year. Additionally, repairs have been completed more quickly, averaging 1.5 weeks compared to 2.1 weeks in the previous year.



Ensure that environmental, sustainability and climate resilience impact will be at the heart of all Council decision-making

- The Council has made progress in responding to climate change and seeks to be carbon neutral by 2030. The Council's [Sustainability Plan](#) aims to support the Council and the Central Bedfordshire area to move to embed sustainability and work towards a zero-carbon future.

Create opportunities for all children and young people to reach their full potential

- The Council has an ambitious, long-term programme to raise education standards in Central Bedfordshire by ensuring the area has the right schools, in the right places, delivering the best education.
- In towns with planned growth, the Council is continuing to secure new sites for schools and there are plans for further new schools in the pipeline. In addition to new school places across the authority the Council has successfully created new places to accommodate the change to a primary and secondary education model. Investing in the school infrastructure will ensure that Central Bedfordshire children will be provided with the best facilities possible during their education.
- The Council has also supported over 4,125 children with complex special educational needs and continues to create new specialist school places across the authority.

Enable people to live active, healthy and independent lives

- In September 2024 82.8% of people aged 16-64 were in work, significantly higher than the Great British average of 78.4%.
- The average full-time gross weekly income in Central Bedfordshire is £829.20, the Great British average is £729.80.
- The UK House Price Index (HPI) shows that the average Central Bedfordshire house price in December 2024 was £353K. The England average was £291K.
- 2.7% of residents are claiming out of work benefits compared to a Great Britain average of 4.1%. These figures are as of January 2025 and are slightly higher than the values for both Central Bedfordshire and Great Britain at the same time last year, 2.2% and 3.7 respectively.



Enable the right care, at the right time, in the right place for those in need of support

- Approximately 18% of the Council's population are aged 65 and above, which is an increase of 29% in this age group over the last ten years. Between 2020 and 2035 this is expected to increase by 40%. The changing age profile of Central Bedfordshire is leading to an increase in demand for adult social care services as more of us live longer with some people also having more complex

needs. This can mean that ensuring the right care and support is available at the right time is becoming more challenging.

- The Council opened its first purpose-built care home, Marigold House in Leighton Buzzard in February 2025. This is being operated by its wholly owned care company Care is Central Residential. The home offers 64 well-designed bedrooms and nine comfortable lounges, all aimed at creating a homely and supportive space for residents.
- Marigold House is the first of several new care homes included in the Council's medium term financial plan, with the next at the Red Kite Meadows development, Flitwick, due to open in late 2025.



Front view of Marigold House, Leighton Buzzard

- The Council is also working hard to modernise its day services for older people, and during the year two of its day centres were relocated to new, more modern locations at All Saints View and Marigold House. These provide an upgraded, modern space that are better designed to meet the needs of the people supported.

Provide the environment for economic prosperity in which existing businesses can grow and new ones will move to the area

- In 2024 there were 12,470 active businesses in Central Bedfordshire, (an increase of 255 on the 2023 figure of 12,215. This is better than the national picture which saw a 0.1% decrease in active businesses according to the ONS. Micro businesses (those with up to 9 employees) make up the greatest percentage of businesses in Central Bedfordshire, with 91.1% of enterprises. This category saw an increase in numbers between 2023 and 2024 in Central Bedfordshire increasing from 11,095 to 11,365.
- In September 2024 17,900 people in Central Bedfordshire were self-employed, this is a decrease of 3,100 in comparison to the same period in 2023. This is likely due to the high employment rate and the ongoing cost of living crisis.

- Central Bedfordshire Council's Business Sector & Growth and Business Investment team provides access to a range of dedicated services for businesses investing, growing, or moving into the area, including access to workforce recruitment, helping to find the right commercial property, education and training solutions, access to local supply chains, business networks and events, specialist advice and more.

Making the best use of resources

Central Bedfordshire has endorsed and signed up to a shared vision for 2050. This



has been developed through collaboration with local people and organisations. It sets out the sort of place that stakeholders aspire to, defining the place we want to be in thirty years' time. Delivery of the vision will be a shared endeavour, involving the Council working with partners and communities.

The Vision seeks to build on the core strengths that Central Bedfordshire as a place has, what makes it attractive, what can be done to enhance it further.

The Vision for Central Bedfordshire is that it will continue to be a great place to live and work; a place to prosper, a place to be proud of and a place to call home.

Underpinning this high-level vision are four more specific outcomes for current and future generations of Central Bedfordshire residents to:

- Live in a unique and special environment
- Have a prosperous and innovative economy
- Have the best quality of life
- Live in thriving communities.

You can read more on the [Central Bedfordshire 2050](#) website.

Political Structure

The Council is run by Councillors who are elected by the local community and are responsible for making decisions on their behalf about local services and spending. There are 63 elected Councillors, and the most recent election took place on 4th May 2023.

The Independent Alliance currently holds 15 seats, the Central Bedfordshire Community Network holds 13 seats (which includes a Green Party member), there is also one Reform councillor and one non-aligned Independent councillor. The remaining seats are held by 20 Conservative councillors, eight Liberal Democrat and five Labour councillors.

Cllr Adam Zerny is the current Leader of the Council. He was first elected at the Full Council meeting held on 25th May 2023 and then re-elected on the 18th July 2024 after standing down earlier in the year.

Governance arrangements

Annual Governance Statement

To accompany the Narrative Report and Statement of Accounts, the Council prepares an Annual Governance Statement that sets out the arrangements that operate to ensure proper governance of the Council's affairs and the stewardship of resources at its disposal. It also outlines the arrangements that are in place to ensure that a sound system of internal control is maintained. This can be found on page 166.

Our Services

The following core services are provided by the Council:

- **Adult Social Care** involves the provision of social work, personal care, protection, or social support services to adults in need or at risk, or adults with needs arising from illness, disability, old age, or poverty.
- **Children and families' service** provide care and protection where needed to help children and young people fulfil their potential. The Council supports schools and children's centres, helping disabled children and their families and providing fostering and adoption services.
- **Community protection** services make sure that Central Bedfordshire is a safe place to live by tackling anti-social behaviour, supporting businesses to trade fairly and safely, and look after the environment.
- **Highways** services keep roads and pavements in good order by fixing problems quickly and efficiently as well as providing walking and cycling routes and promoting road safety.
- **Housing (Housing Revenue Account)** the Council owns and manages circa 5,800 properties.
- **Leisure, libraries, and countryside** services provide opportunities to get fit, meet others, learn, access arts and culture and enjoy the great outdoors.
- **Planning, regeneration, and business services** help to support business growth, develop skills, drive employment, reinvigorate towns to attract investment and jobs as well as meeting housing need.
- **Public Health** is concerned with improving the health and wellbeing and addressing health inequalities in the local population. Services include Drugs & Alcohol, 0-19 Children and Young People Services, Sexual Health, Stop Smoking and Weight Management, NHS Health Checks and Population Health Evidence and Intelligence. Services are provided across three local authorities from a shared Public Health team.
- **Waste and recycling** services organise alternate weekly bin collections for 126,500 households as well as running four household waste recycling centres.

- **Other** services support the democratic process and keep the Council running effectively and efficiently making sure customers can access the services they need. These services are either provided directly by the Council or are commissioned from and delivered by other organisations. Most of these services are mandatory, meaning that the Council must provide them because it is under a statutory duty to do so. There has been no major change in statutory functions during 2024/25.

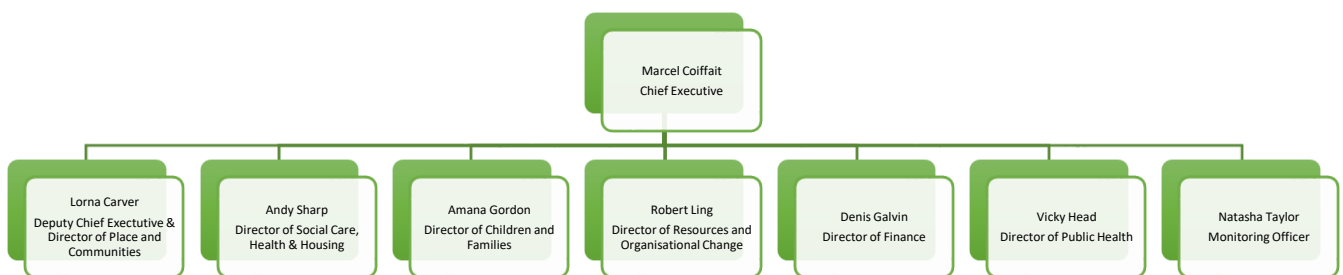
Future developments in service delivery include utilising new technology to support people to live independently at home and to also push forward plans to generate energy from renewable sources.

Management Structure

Delivering a diverse range of services relies on a well-structured management team. The Council’s directorates are shaped around the services provided.

Marcel Coiffait is the current Chief Executive and is supported by six Directors and the Monitoring Officer, collectively they are known as the Corporate Management Team.

The Corporate Management Team Structure, as at 31 March 2025, is shown in the following chart.



of Children's Services. The role was also renamed to Director of Children and Families to reflect the importance the role plays within the lives of not only the children but also their wider families within Central Bedfordshire.

Senior Officer remuneration costs increased by £0.101M to £1.314M (£1.213M in 2023/24). Further detail on this can be seen in Note 30 to the Statement of Accounts.

Employees

The Council employs approximately 4,000 staff (including those employed within schools) and employs some temporary / agency staff to deliver the various services. As part of the control of expenditure in 2024/25 the use of temporary resources was reduced, with total spend in 2024/25 of £9.0M compared to £13.3M in 2023/24.

As a result of inflationary pressures and unfunded additional burdens, the Council further strengthened its control process during 2024/25 to minimise unnecessary expenditure on recruitment and staffing. Managers with a requirement to recruit to a position were required to complete a business case, which was then discussed and approved by the Corporate Management Team.

During 2024/25 the Council undertook a number of staff changes, preceded by staff consultations, in order to further reduce expenditure and to align the right level of staff with the services provided. This was a large undertaking and impacted on all service areas. This work will progress into 2025/26.

C. Economic Environment

2024/25 has seen several challenges impacting on the economic environment, from the continued cost of living crisis to sustained levels of high inflation and higher for longer interest rates, these have all had their own challenges and the Council has done its best to meet them and to also support its residents with them.

Household Support Fund

The government's Household Support Fund was extended for a further 6 months, after originally being due to end in October 2024. During 2024/25 Central Bedfordshire Council was awarded £3.0M, which was distributed to residents who met the following criteria:

- a. Resident in Central Bedfordshire
- b. Any household that meets one or more of the following criteria:
 - i. In receipt of Local Council Tax Support (LCTS) or Housing Benefit only claimants not in receipt of LCTS
 - ii. Eligible for Free School Meals

The Household Support Fund was allocated and distributed to households through several channels including: free school meals; care leavers; the Children Centre's Crisis Fund; Local Council Tax Support claimants of pensionable age who were not entitled to a Winter Fuel Payment, and third-party organisations.

Council Tax and Business Rates

The in-year Council Tax collection rate increased by 0.21% during 2024/25 to 97.76%. For Business Rates, the in-year collection rate of 98.20% was a slight reduction of 0.27% compared to 2023/24.

Local Council Tax Support (LCTS) Claims

The number of LCTS claims has increased by 2.8% (398 claimants) during 2024/25. The total award of LCTS has increased by £421K during this period. £19.83M has been awarded to residents through Local Council Tax Support.

D. The Council's Performance against Corporate Objectives

Enhancing Central Bedfordshire

The Council has an ambitious capital programme with a plan to invest up to £654M over the four years from 2024/25 to deliver some key infrastructure projects including care homes, roads, school buildings, leisure facilities and much more.

In August 2019 the Council secured £70M of Government funding via the Homes England Housing Infrastructure Fund for several schemes designed to provide significant benefits to the existing community and support planned housing growth for around 3,000 homes to the east of Biggleswade. The project includes a new electricity substation, providing a new transport interchange at Biggleswade Railway Station, and creating a new bridge to the north of Biggleswade where the popular Green Wheel Bridleway crosses the East Coast Mainline. Each of these projects have made significant progress during the year.

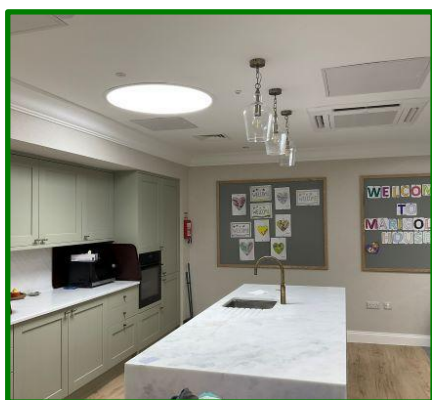
In 2025 new underground cables started to be installed to enable the first connections for the new substation. It is hoped that the new substation will not only contribute to reducing environmental impacts, but also attract new investment, create jobs and drive sustainable growth in the area, underlining our commitment to preparing Biggleswade for its future.

The new bridleway bridge at Lindsells Level Crossing was opened in May 2024. Rising eight metres above the track with ramps approximately 185 metres long on each side, it serves as a vital link for [Biggleswade's Green Wheel](#), a walking and cycling route that promotes active and sustainable travel around the outskirts of Biggleswade.



The new bridleway bridge at Lindsells Level Crossing

In 2024/25 £4.4M was spent finalising the first new care home to be built by the Council, or its predecessor, in nearly 50 years. Marigold House in Leighton Buzzard welcomed its first residents in February 2025. The care home is operated by the Council's wholly owned care company Care is Central Residential. It will replace the Westlands care home and provides a new purpose-built space for the Leighton Buzzard day centre, previously located on Duncombe Drive. The move of the day centre enables existing customers to access more modern facilities and a comfortable, dementia-friendly environment with access to secure, landscaped gardens while still meeting people's care and support needs. Facilities are integrated within the care home community encouraging the growth of friendship networks and preventing isolation.



The day centre kitchen and reception lounge area at Marigold House

During 2021/22 the Council was successful with two bids for the Government's Levelling Up Fund, which is aimed at investing in infrastructure that improves everyday life across the UK. These were for a new community wellbeing hub and roundabout improvements. While the roundabout improvement works completed in 2023/24, work progressed on the wellbeing hub.

The new Houghton Regis Community Wellbeing Hub opened to the public on 29th March 2025 with £13.8M having been spent in year. The centre boasts an impressive 8-lane, 25-metre pool, alongside a learner pool with an adjustable floor to accommodate swimming lessons and classes. Additionally, a separate shallow pool is available to help build confidence in the water, catering to all swimming abilities. The centre features a spacious gym with 120 workout stations, a dedicated free weights area, two squash courts and an immersive group cycling studio. A variety of fitness and wellness classes will be available in the modern studio spaces. Beyond sports and fitness, the centre also includes a welcoming public café, community spaces and fully accessible Changing Places facilities. Outdoors, visitors can enjoy a children's play area and a scenic fitness trail set within landscaped surroundings.

New footpaths, cycleways, parking, and bus drop off areas have been provided, all designed to support the local community. The development will complement the reversion of a local secondary school and provide amenities for the 7,000 new homes currently being developed in the local area and provide vital local social infrastructure.



Outside the Houghton Regis Leisure and Community Centre



Spacious gym with 120 workout stations



8-lane, 25-metre pool

In May 2024, the Council opened its first-ever crematorium in Central Bedfordshire, Oakfield Gardens in Steppingley, which marked a significant milestone for bereavement services in the area. Starting operations on Thursday 16 May, the state-of-the-art facility has been carefully crafted to deliver comfort and peace during difficult times. With meticulous attention to detail, and built with environmental sustainability in mind, the facility has been designed to offer solace, comfort and tranquillity to bereaved families during their time of mourning and remembrance.

Great Resident Services

In 2024/25 139,700 tonnes of municipal waste were collected and disposed of (Residual Waste 76,400 tonnes, Recycling and composting 57,700 tonnes and Reuse 5,600 tonnes). This compares to 2023/24 where the total tonnage of municipal waste collected was 1,700 tonnes higher at 141,400 tonnes (Residual Waste 72,700 tonnes, Recycling and composting 63,500 tonnes and Reuse 5,200 tonnes).

During 2024/25 nearly 51,000 households signed up to the garden waste subscription service, over 1 million household bins were emptied every four weeks, 2.6 million coffee pods were collected and recycled. The Household Waste and Recycling Centres (HWRC) had nearly 70,000 visitors per month and a booking system was introduced to improve the customer experience by being able to help customers who visit, divert more waste to recycling and reuse and ensure the HWRCs are only being used by Central Bedfordshire residents. In January 2025, the Council invested in new

vehicles at the Biggleswade and Thorn Turn HWRCs to ensure that they can continue to operate efficiently and provide a reliable, good quality service for residents.



New vehicles at Biggleswade and Thorn Turn HWRCs

During 2024/25 new grounds maintenance and garden waste contracts were procured, these help to achieve continued value for money and reliable service delivery.

The public satisfaction with roads and pavements in Central Bedfordshire has declined more than the national trend and this is currently below the national benchmarks. In the last survey (2023), satisfaction with roads and pavements was the same or better than the national benchmarks. Prior to this, our results were always lower than the national results, and it seems we have reverted to this relative position, despite high percentages of our A (81%), B, C (76%), and unclassified roads (78%) being in good condition compared to national averages in 2024.

To address these concerns, the Council invested an additional £5M last financial year in surface dressing treatments across the network, a cost-effective way of improving road conditions. This was in addition to the annual £13M highways programme.

The Council has now completed the second year of a new leisure management contract with Everyone Active (EA). It has been another positive year with EA delivering an increase in the usage levels across the centres. Since the start of the year there have been over 2.46M recorded users at our leisure centres, see table on following page. This represents a 5.36% or 125,241 person increase on a very successful prior year.

Fitness memberships continue to grow, with an increase of 1,459 fitness members year on year, this represents an 11% increase in residents having a fitness membership. The key driver to the increase has come from targeted investment by EA and the Council. The leisure contract has seen investment into The Dunstable Centre, a refurbishment of the Flitwick Leisure Centre gym and the successful completion and delivery of Sandy Sport and Leisure Centre. The latter has shown significant growth with the membership base nearly doubling six months after opening.

The increase in usage has been supported by the introduction of programs with social care through carers and care leavers, health, and wellbeing colleagues rolling out national initiatives such as the Holiday, Activities and Food (HAF) programme, along

with local initiatives to improve access for those residents who struggle with long term mental and physical health conditions.

The positive news does not stop there – swimming activities continue to be well attended, this includes casual swimming, club swimming and public swimming sessions which shows a 9% increase on usage year on year. The number of children learning to swim now totals 8,733 children participating each week in swimming lessons. In addition, over 57 schools a week attend 'learn to swim' session across the Council sites. The total community swimming hours of 614 has enabled over 22,000 swimming activities per month.

Leisure Centre	Number of recorded users					
	2024/25	2023/24	2022/23	2021/22	Variance 2024/25 compared with 2023/24	% var.
Saxon (Biggleswade)	537,883	537,383	360,499	305,512	500	0.09%
Houghton Regis	200,568	223,105	186,503	166,842	-22,537	-10.10%
Flitwick	841,795	704,255	492,900	445,871	137,540	19.53%
Sandy Sports Centre*	38,278	30,896	102,753	115,664	7,382	23.89%
Tiddenfoot	445,861	435,830	239,861	167,424	10,031	2.30%
The Dunstable Centre	398,315	405,990	280,085	209,011	-7,675	-1.89%
Total	2,462,700	2,337,459	1,662,601	1,410,324	125,241	5.36%

*The reduction in the recorded users at Sandy Sports Centre is due to the new leisure provider not recording usage on the artificial pitch at the Jenkins Pavilion in either 2023/24 or 2024/25 which had been included previously.

Improving Education and Skills

Central Bedfordshire is an area that is forecast to see some population growth with new housing, although also a predicted falling birth rate. Up to 43,000 new homes are expected by 2035. Central Bedfordshire has historically been a three-tier school system with lower, middle, and upper schools. Progress has been made in moving to a two-tier Primary and Secondary model in some areas of the local area. We are working to move fully to a two-tier education system whilst ensuring the required number of school places for all children are available to enable the best education for our children and young people. The Council already forecasts and plans for school places on a five-year basis but given this scale of change these will require revision over this year to reflect the significant changes required.

Ofsted have returned to their full inspection framework of schools. As of August 2024, 88% of schools and academies were rated either Good or Outstanding, compared with 86% in August 2023.

Early Years Foundation Stage (EYFS) results overall are slightly above the national average. In phonics, despite a small improvement, Central Bedfordshire is still slightly behind the national results. KS2 also saw a small improvement, but national results

also improved, so the Council remains below national overall. KS4 overall performance has fallen and remains below statistical neighbours and national averages.

The average percentage of young people aged 16-17 in education, employment or training in 2024/25 was 96.9% (at the end of February 2025) – this is a slight increase from 2023/24's 96.8%, and similar to national and regional averages.

Our three-month (December-February) average figures for our not in education, employment or training (N.E.E.T.) plus not known young people was 3.1% - this was lower than the national (5.6%) and regional (5.1%) averages, which placed us in the first quintile when the Department for Education published the data in March 2025.

The quintiles are like league tables in sport – there are 151 Local Authorities in the data, split into five divisions. The N.E.E.T. plus not known average figure ranked us 29th out of the 151.

Our average N.E.E.T. figure for that period was also lower than in 2023/24, at 2.6% compared to 2023/24's 3.4%, which shows more people being in a positive destination.

Learning new skills does not stop when children leave school, so the Council will support adults with careers advice and obtaining the skills they need to succeed. It will also ensure that it matches the provision of skills with those that are needed by employers.

In October 2024, the Executive approved the Skills for All Strategy, which provides the strategic direction and critical actions for the Council and its partners to implement in addressing lifelong skills needs across Central Bedfordshire. The strategy has a critical role to play in delivering the Economic Strategy priorities of supporting local business to grow and thrive, getting our residents into work and increasing the supply of our skilled people. It sets out the ways in which the Council will work with Central Bedfordshire skills partners to achieve positive outcomes for individuals, families, businesses and the wider economy.

Protecting the Vulnerable; Improving Wellbeing

Supporting vulnerable children and adults is the largest area of spend for the Council. As well as providing home care and residential care for older people, we are focusing on helping people live independently for longer.

Independent Living solutions are integral to the Housing Revenue Account's (HRA) Investment Plan, to address demographic pressures and enable efficiencies to Social Care and Children's Services. The HRA has delivered 2 new build Independent Living Schemes to date, and a further Independent Living Scheme will be delivered in 2025/26. This new scheme will form part of a senior living village, to be situated on the site of the former leisure centre at Steppingley Road in Flitwick.



Artist's impression of Steppingley Road, Flitwick

The site will feature a care home (72 bedrooms), an Independent Living scheme (88 apartments), and an 8 bed short breaks facility for adults with learning and/or physical disabilities. The project is being constructed to Passivhaus standards, which mean delivering high standards of comfort and health and reducing energy use. The care home and short breaks facility will be delivered by the Council's General Fund, with provision of care provided by the council's wholly owned care company (Care is Central), and the independent living delivered by the HRA.

These proposals are part of a joined-up strategy for the whole Council area, which involves collaboration with Housing Associations, to ensure that each area has sufficient modern residential care facilities, together with independent living schemes that will enable residents to continue to live independently as they get older and develop care needs, improving quality of life whilst saving the Council expenditure on residential care.

In addition to supported accommodation, the HRA has increased its general needs stock through a combination of new build development and property acquisitions. An 8-unit scheme in Leighton Buzzard completed in October 2024 and delivered a mix of 1 and 2 bed apartments. The HRA have purchased more than 50 homes across Central Bedfordshire in 2024/25, these properties will be let at an affordable rent.



New build development in Leighton Buzzard

The number of children who are the subject of Child Protection Plans has decreased from 244 in February 2024, to 178 at the end of February 2025. The Council is caring for 341 children (February 2025), a decrease from 376 in February 2024. The number

of Central Bedfordshire fostering households in Feb 2024 was 102 (64 mainstream, 31 family and friends, 7 Reg 24). There is a significant increase noted in Feb 2025 with 120 foster care households (73 mainstream, 32 family and friends and 15 Reg 24). The number of children cared for by Central Bedfordshire foster carers has increased from 136 in February 2024 to 148 in February 2025.

Central Bedfordshire Children's Services were the subject of an Ofsted ILACS (Inspecting local authority children's services) regulatory inspection in March 2025. This wide-ranging inspection concluded that services for children and families were Good in all domains and there had been improvement in many areas since the last ILACS visit in 2022.

The Local Area special educational needs and disabilities (SEND) improvement agenda has been a priority throughout 2023/24. Feedback from Ofsted and the Department for Education has confirmed that progress is being made in this key area of activity and SEND improvement continues to be a priority for the Council. The Local Area has seen a significant increase in the numbers of requests for Education Health and Care Plans (EHCP) during the year. In 2024 we received 961 requests for an EHCP, an increase of 52 (5.7%) compared with 2023, this followed an increase of 173 (23.5%) from 2023 compared with 2022. Overall, there has been a 30.57% increase from 2022.

Creating Stronger Communities

The Council will do all it can to strengthen community spirit in Central Bedfordshire's towns and villages, nurturing a sense of place and belonging to build resilience and reduce social isolation.

Recognising the importance of the library service and as part of responding to the growth identified in the Central Bedfordshire Local Plan, the Council undertook a strategic review of the service in 2024. The new Library Services Strategy 2024-29 outlines the direction of the library service for the next five years and sets out key priorities and objectives to ensure libraries continue to be at the centre of the growing communities. At the heart of the strategy is the vision for libraries, that *"libraries are free, welcoming spaces available for everyone, at the heart of the community, offering a place to learn, connect, develop and collaborate."* To read more about the commitment to the library service read the [Library Services Strategy 2024-29](#) on our website.

There are some exciting plans in place to upgrade some of the libraries in the coming years. For example, Stotfold's library will be moving to a new location in June 2025, the Greenacre Centre. The move will provide an upgraded, spacious and welcoming environment enabling the library's resources to expand and better serve the growing community. The Simpson Centre, the current location, has served the community for numerous years in different forms and has aged, the library's new home will provide a more accessible, modern space. The new library will also integrate community-friendly features such as a larger event space—especially for the very popular children's events—and convenient free parking, to ensure a welcoming environment for all

visitors. With improved resources and accessible spaces, the new library will be a vibrant community hub, ready to support Stotfold's growth for years to come.

A More Efficient and Responsive Council

The Council will be focused on cost effectiveness and efficiency in all that it does. Customers, residents, and businesses of Central Bedfordshire will help to determine whether it is successful in this ambition. The Council will listen to their opinions, views, and preferences in shaping its plans.

The Council has achieved a sustainable financial position, having delivered savings of £220M since 2009 and has a plan to maintain financial stability in the years to come.

The Council has a continuous drive to work smarter to increase its effectiveness and work in the most efficient way. In setting the 2025/26 budget, the public were consulted on a range of proposals to reduce costs. Over 2,000 people took part in the public consultation and the feedback was extremely helpful in setting the budget. The Council remains focused on becoming more efficient and looking for ways to reduce costs without having a detrimental impact on services for residents. After carefully considering the feedback, the Executive agreed to recommend investing £114.6M next year on a range of building and infrastructure initiatives such as road maintenance, new school places, new housing, leisure provision, new care homes and including more money for cleaning roadside drains to help alleviate flooding.

The Council has made progress in responding to climate change, the refreshed [Sustainability Plan](#) was endorsed in September 2024, and outlines the steps it will take to become carbon neutral by 2030.

The Council has been recognised for its outstanding commitment to sustainable travel, winning top honours at the Modeshift STARS National Travel Awards and the TravelWise Week Awards 2024/25. These prestigious awards celebrate organisations that champion active, accessible and environmentally friendly travel choices.



The Linnere development, in Houghton Regis, was awarded a STARS Residential Site of the Year title, recognising its ambitious and impactful Residential Travel Plan. As a large urban extension featuring over 5,000 homes, schools, retail, and community facilities, Linnere promotes a sustainable, community-driven lifestyle by: reducing reliance on private car use; encouraging walking, cycling, and public transport; and cutting single-occupancy vehicle trips. This recognition

highlights our dedication to creating greener, healthier communities for current and future residents.

The Council also celebrated success in the TravelWise Week Awards, winning Best Modeshift TravelWise Week Campaign (Residential) for our efforts in Linnere. These

initiatives, funded by developer contributions, encouraged residents to adopt greener, healthier travel habits, further reinforcing our commitment to sustainable transport.

As part of the commitment to sustainability the Council has been undertaking a variety of schemes, from planting over 81,500 trees and another 6km of hedgerow, increasing the number of council-provided public electric vehicle charging points to 156, powered 1,000 homes with energy produced from kerbside food waste and helped 467 households install solar panels.

E. Medium Term Financial Plan (MTFP) and Outlook

MTFP 2025/26–2028/29

The medium-term financial planning and budget setting process was the most challenging in the Council's history, falling at a time of unprecedented uncertainty and risk. The Consumer Price Index (CPI) reached a 41 year high in October 2022 at 11.1% and the Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet a 2% inflation target set by the government. To reduce inflation, the Bank of England base rate has increased 14 times since December 2021 to a high of 5.25% and is starting to reduce slowly, albeit having stayed higher for longer than initially anticipated. This, combined with inflationary pressures and unfunded additional responsibilities, has resulted in another challenging budget setting process for the Council.

Despite the challenges the Council was able to set a balanced budget for 2025/26 and identified significant financial savings for the MTFP period. The 2025/26 budget is balanced by a notable use of reserves, which is anticipated to be repaid over the MTFP period to 2028/29.

Faced with a big gap between the Council's income, and the cost of services, the Council had to make some difficult decisions so it can continue to provide the vital services to support the most vulnerable. Making such difficult decisions now will set the Council on a more even keel, financially-speaking, for the years to come.

Interest rate forecasts predict that the Bank of England base rate will reduce by up to 1% during the 2025 calendar year. This reduction combined with declining inflation will improve the Council's financial position substantially.

Council Tax

The 2025/26 Local Government Finance Settlement provided the opportunity for the Council to implement a further 2% Adult Social Care (ASC) Precept and to implement a maximum 3% general increase.

The Council Tax base for 2025/26 has grown by 1.25%. This is the net effect of housing growth partly offset by an increase in the number of claimants of Local Council

Tax Support (LCTS). Over the MTFP period, Council Tax funding is forecast to rise from £211.5M in 2025/26 to £246.3M in 2028/29.

At the Council meeting on 27 February 2025, a Council Tax increase of 4.99% was agreed. The 2025/26 average Band D Council Tax charge for Central Bedfordshire, excluding Town and Parish precepts, is £2,237, and this is broken down across the precepting authorities as follows £1,840 CBC, £279 Police and Crime Commissioner for Bedfordshire and £118 Bedfordshire Fire and Rescue Authority.

Town and Parish Councils also apply an additional precept on top of this for their relevant area, including the average of this (£158) the total Band D Council Tax charge is £2,394, compared with £2,276 in 2024/25.

Business Rates

The Business Rates Retention scheme was introduced in 2013/14. At the end of 2023/24, Central Bedfordshire exceeded the “Baseline Funding Level” set by Government for the year because of business rates’ growth and a levy is therefore payable of £4.9M.

Strategically situated in the heart of England and between Oxford and Cambridge, the area benefits from a rapidly expanding, knowledge-based economy. Central Bedfordshire Council is committed to balancing growth with sustainability and quality of life – to deliver the best possible environment for investing businesses and the people who work and live here.

All these ambitions align with the Council’s aspiration to attract high-value and high-technology businesses, their employees, and their families to Central Bedfordshire.

Business Rates growth has been forecast due to new businesses being attracted into the Central Bedfordshire area. Additional business rates income of £5M in 2025/26, £1.6M in 2026/27, £2.5M in 2027/28 and £3.5M in 2028/29 has been included in the MTFP.

Reserves

The Council’s General Fund Earmarked reserves at the end of 2024/25 stood at £20.7M and the General Fund balance at £26.4M. Earmarked reserves have been used for several years both to mitigate in year overspends and to balance the budget. This is no longer sustainable, and the organisation cannot continue to use reserves in this manner. The Council’s expenditure base must be reduced, and reserves replenished to ensure the long-term financial security of the organisation. The Council plans to replenish reserves to the value of £29.5M from 2025/26 to 2028/29.

During 2024/25 there were no draws on the General Fund reserve. Total Earmarked Reserves have reduced by £25.3M (£57.6M reduction in 2023/24). Further analysis of the Earmarked Reserves can be found in Note 9.

Capital Programme 2025/26 to 2028/29

The Council's Capital Programme was reviewed during 2024/25 and several changes were made. The driving principle was to minimise the revenue impact in future years arising from interest payments and the Minimum Revenue Provision, or to identify future revenue resources to facilitate borrowing for capital purposes in a sustainable and prudent manner.

From the Council's five-year plan there are several broad outcomes which capital investment plays a role in delivering:

- Improved town centres and facilities
- Great quality, appropriate, and affordable housing
- Great infrastructure including transport and Broadband
- Improved roads and pavements, parks, and leisure
- Educational success
- Allowing people to live independently or in suitable specialist accommodation
- Operational efficiency.

To deliver those outcomes and in common with the General Fund Revenue MTFP, the Capital Programme was built up thematically.

F. Financial Position

2024/25 Revenue Outturn

The net revenue budget for 2024/25 was set by the Council at £265.4M (£252.1M in 2023/24). The 31 March 2025 net revenue outturn that will be reported to the Executive meeting in June 2025 was £0.00M (after use of reserves) showing a break-even position against budget (£0.00M on budget in 2023/24) this is shown below.

The outturn position reported is reconciled to the accounting statements via the Expenditure and Funding Analysis, note that the budget included planned use of reserves. The HRA and Schools are not reported within the budget as they are self-financing and therefore shown as zero in the outturn report.

Core Service Expenditure	Budget £000's	Outturn £000's	Variance £000's
Net Revenue Expenditure			
Social Care, Health and Housing	99,539	101,775	2,236
Children and Families (excl. schools)	48,245	51,321	3,076
Place and Communities	67,586	65,636	(1,950)
Public Health	0	0	0
Resources and Organisational Change	21,313	20,602	(711)
Finance	9,876	9,840	(36)
Monitoring Officer	6,722	7,546	824
Corporate Costs*	12,069	8,630	(3,439)
Housing Revenue Account	0	0	0
Schools	0	0	0
Total Net Expenditure	265,349	265,349	0

Core Service Expenditure Funding	Budget £000's	Outturn £000's	Variance £000's
Financed by			
NNDR Collection Fund Deficit	19,287	19,287	0
Retained Business Rates	(77,079)	(77,079)	0
Local Council Tax Support Reserve	(2,879)	(2,879)	0
Council Tax	(198,870)	(198,870)	0
Renewable Energy NNDR	(5,808)	(5,808)	0
Total Funding	(265,349)	(265,349)	0

*Corporate Costs Outturn position includes the release of £7.068M of Earmarked reserves agreed to offset the Council's overspend in year.

Income Collection

97.76% (97.55%, 2023/24) of Council Tax due in the year was collected and 98.20% (98.47%, 2023/24) of Business Rates due in the year were collected. The Council's collection rates are above the national average, Council Tax 95.9% (2023/24) and Business Rates 97.2% (2023/24). At the time of writing, the 2024/25 national averages had not been released.

96.84% (96.58%, 2023/24) of housing rents due in the year were collected, which was a slight improvement on the previous year.

Capital Outturn 2024/25

The Council's Capital programme sets out expenditure plans for acquiring, constructing, and improving buildings, roads, and equipment that are used in delivering services. The Council derives benefit from such capital expenditure over many years. Capital expenditure on the Council's assets amounted to £119.3M in the year ended 31 March 2025 (£158.9M in 2023/24).

The Capital programme also includes £74.7M (£72.0M in 2023/24) of expenditure on projects that are capital in nature but do not create an asset to be recognised on the Council's Balance Sheet. The Council has authority under statute to finance such revenue expenditure from capital resources.

In 2024/25 the total Council Capital programme expenditure (excluding s106 expenditure) was £189.6M (£228.6M in 2023/24), which was £9.1M (£76.7M in 2023/24) less than the budget. The main reasons for the variance in budget are; deferred expenditure of £11.8M relating to the Council's 3 to 2 tier programme, additional spend of £5.6M in relation to Houghton Regis Community Wellbeing Hub, additional spend of £7.7M in relation to Leighton Buzzard Leisure Centre. There has been a reduction in expenditure of £6.0M in relation to New Vista Homes (NVH) and deferred spend of £2.5M on HRA stock remodelling, £5.1M in relation to Steppingley Road Independent Living Scheme which is offset by additional spend of £4.5M in relation to HRA New Build and Acquisitions.

Capital receipts in year amounted to £13.1M (£12.8M in 2023/24).

The following table shows the Council's 2024/25 Capital outturn position and funding. The reported outturn position excludes s106 expenditure as it is fully funded by the s106 income. Further detail can be found in Note 35 to the Statement of Accounts.

Gross Capital Expenditure by Directorate	Budget £'000s	Outturn £'000s	Variance £'000s
Children and Families	74,635	60,889	(13,746)
Place and Communities	41,173	55,640	14,467
Monitoring Officer	0	15	15
Resources and Organisational Change	12,263	14,219	1,956
Social Care, Health and Housing	15,972	15,068	(904)
Corporate – investment in NVH	10,000	4,000	(6,000)
HRA	44,788	39,866	(4,922)
Total Gross Expenditure – reported	198,831	189,697	(9,134)
Total including s106	203,148	194,014	(9,134)
Financed by			
Grants and Contributions	(61,388)	(80,984)	(19,596)
Revenue Contribution	0	(12,271)	(12,271)
Capital Receipts	(38,000)	(13,121)	24,879
Borrowing	(99,443)	(83,321)	16,122
Total Funding	(198,831)	(189,697)	9,134
Total including s106	(203,148)	(194,014)	9,134

G. Financial Statements

Explanation of the Main Statements in the Accounts

Comprehensive Income and Expenditure Statement (CIES)

This statement, as set out on page 36, 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 regulations; this may be different from the accounting cost. The taxation position is shown in both the EFA and the Movement in Reserves Statement. The 2023/24 CIES has been restated to reflect the new structure and enable comparability between the financial year ended 31 March 2025 and the previous year. There has been no change to the Net Cost of Services as the restructure represented a change in responsibility between directorates and not a change in services provided.

Key items to note:

- Net cost of services has reduced by £10.8M to a total of £389.5M (£400.3M in 2023/24). While the service level expenditure has increased (£46.3M) between the years, the income has also seen an increase (£57.1M).
- The net deficit on provision of services has reduced by £19.5M between years, due to higher taxation and non-specific grant income. This has increased from

£340.6M to £369.6M owing to higher Council Tax income and non-specific grant income during the year.

- Other Comprehensive Income has reduced by £120.8M largely due to a £169.9M higher remeasurement of the Pension Fund's net defined benefit liability. This was partly offset by more of a gain on revaluation of the property, plant, and equipment assets between the years, £48.8M (£51.5M in 2024/25 compared with £2.7M in 2023/24).

The Movement in Reserves Statement (MIRS)

This Statement, as set out on page 37 shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e., 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 (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

Key items to note:

- Usable reserves have reduced by £25.3M to a total of £53.3M (£78.6M in 2023/24). Of the usable reserves, £21.6M (£20.6M General Fund and £1.0M HRA) has been set aside in earmarked reserves as it is destined for specific purposes. Note 9, to the Statement of Accounts has further information on these future projects.
- Unusable reserves have decreased by £80.6M to a total of £933.0M (£1,013.6M in 2023/24). This is primarily due to a £59.8M deterioration to the deficit position of the Pension Reserve.

The Balance Sheet

The Balance Sheet, as set out on page 39, shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Reserves are reported in two categories;

- The first category of reserves are usable reserves, i.e., those reserves that the Council 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 unusable reserves, i.e., those reserves that the Council is not able to use to provide services. This category of reserves includes reserves 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'.

Key items to note:

- Property, plant, and equipment has increased by £74.6M because of significant capital investment in the year, recognising additions of £56.0M in the HRA, the completion of Marigold House care home and Houghton Regis Wellbeing Hub.
- There has been a £5.2M reduction in the value of long-term debtors, this is a result of deferred capital receipt following the sale of Chase Farm having been received in year, the remainder will be received in 2025/26 and 2026/27.
- There has been an increase in the need for short-term borrowing (from £196.5M in 2023/24 to £440.3M at 31 March 2025). Long term borrowing has decreased, from £411.1M to £325.2M as the decision has been taken to concentrate on short-term borrowing while interest rates reduce. Further information on our treasury management and borrowing practices are outlined later in this report.
- There has been a £59.8M increase to the net pension liability (£116.7M in 2024/25 compared to £56.9M in 2023/24) because of a higher assumed interest rate of 5.85% for discounting purposes (4.95% in 2023/24). Further information on the pension liability can be found later in the report.
- The value of Capital Grants received in advance has reduced by £27.8M to £178.6M in 2024/25 primarily due to a net £10.5M being applied in the New School Places Programme, a net £9.4M being applied in section 106 developer contributions, and £4.8M for Houghton Regis Community Wellbeing Hub.

The Cash Flow Statement

The Cash Flow Statement page 40 shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council'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 Council.

Expenditure and Funding Analysis (EFA)

This note, as set out on page 69, shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The 2023/24 EFA has been restated to reflect the new directorate structure and enable comparability between the financial year ended 31 March 2025 and the previous year. There has been no change to the Net Cost of Services as the restructure represented a change in responsibility between directorates and not a change in services provided.

Additional Information presented

This document also includes Supplementary Financial Statements:

- the Housing Revenue Account (HRA) Income and Expenditure Statement shows the costs in the year of providing housing services and the Movement on the HRA Statement shows adjustments made to the HRA in line with statutory requirements.
- the Collection Fund Statement separately summarises the transactions in relation to Council Tax and Non-Domestic Rates collected by the Council on behalf of those authorities responsible for services within the area and the way in which these monies have been distributed among the authorities to finance their expenditure.

Other statements published with but not part of the Statement of Accounts include the Annual Governance Statement which explains how the Council has complied with its corporate governance framework and provides information about the different elements of the framework, key issues and the main areas of work that have been progressed during 2024/25 and are being developed in 2025/26. A glossary of key terms is also provided as an aid to readers of this document.

Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates, or joint ventures.



The Council's group of wholly owned companies were incorporated in June 2020. The group of companies is headed by The Central Bedfordshire Group (TCBG) and, at 31 March 2025, had three subsidiary companies New Vista Homes (NVH), Care is Central (CiC) and Care is Central Residential (CiCR) which was incorporated in October 2023.

The accounts of the Group, NVH, CiC and CiCR, along with those of the Council, have been consolidated into a group position and the group statements can be seen from page 151 onwards.

During 2024, the CiC Business Plan 2025-2030 was approved by the boards of both CiC and TCBG. CiC has been delivering operational care services for the last three years and operates in seven independent Living Schemes. CiC currently employs 121 people delivering support and care to a similar number of vulnerable older people. CiC expects to start delivering services in an eighth independent living scheme and a short breaks unit at Red Kite Meadows, Flitwick in 2025.

CiCR currently employs 30 people and is delivering care to the first residents in Marigold House, Leighton Buzzard, the new care home is expected to reach full occupancy during 2025. CiCR expects to start delivering services in a second care home at Red Kite Meadows, Flitwick in Autumn 2025.

CiC and CiCR will continue to focus on the vision to be flexible, innovative, and customer-focused organisations which ensure that the people of Central Bedfordshire have access to a variety of good quality social care services at a reasonable cost.

Following the decision of the Shareholder, that there would be no further transfers of land to New Vista Homes, the activities of NVH have been concentrated on the successful delivery of the site in Haynes. The development has progressed well with the first homes expected to be released for sale in 2025.

The Council holds a share in Pathfinder Legal Services Ltd which is a Local Authorities Trading Company (LATC). Established by Cambridgeshire County Council and Northamptonshire County Council, the company's main vision is to provide high-quality legal support to the public sector. The Council has considered that group accounts will not be required for Pathfinder Legal Services Ltd, as the net worth of Pathfinder Legal Services Ltd and its exposure to risk is not material.

The Council does not have material interests in any other bodies.

Material assets acquired or liabilities incurred

The capital programme expenditure is summarised on page 23 and movements in Property Plant, and Equipment at Note 14. There were no material assets acquired or liabilities incurred during 2024/25.

Material and unusual charges or credits

Academy Transfers

There was only one school that transferred to Academy status during 2024/25, that was Dunstable Icknield Lower School. This resulted in a net transfer of Property, Plant and Equipment non-current assets valued at £7.270M from the Council's Balance Sheet.

Better Care Fund

The Better Care Fund (BCF) was established by the Government from 1 April 2015 to provide funds to local areas to support the integration of health and social care. Under a framework partnership arrangement between Central Bedfordshire Council (the "host") and NHS Bedfordshire, Luton, and Milton Keynes Integrated Care Board (ICB), a pooled fund was set up in 2015/16 for this purpose. Both parties jointly commission the services and agree to meet their proportionate share of transactional costs. The arrangement with expenditure of £32.3M (£29.3M in 2023/24) is set out at Note 28.

The Council's Local Government Pension Scheme liability

The Council is a member of the Local Government Pension Scheme (LGPS) administered by Bedford Borough Council, which is open to all non-teaching employees of Central Bedfordshire Council. The CIPFA Code of Practice requires the Council to record in the Statement of Accounts, the assets and liabilities of the LGPS attributable to the Council and the cost of pensions. The underlying principle is that the Council should account for retirement benefits when it is committed to making them, even though the cash payments may be many years into the future.

The liability for both statutory and discretionary pension benefits, measured in accordance with International Accounting Standard (IAS) 19, has reduced significantly over the year because of a higher assumed interest rate of 5.85% for discounting purposes (4.95% in 2023/24). As of 31 March 2025, the Council's net liability reported by the actuary to the LGPS was a £116.7M net liability (£56.9M net liability in 2023/24).

The fair value of LGPS assets increased over the year to £832.9M (£802.8M in 2023/24) and the value of the obligations to pay pension liabilities decreased to £778.9M (£859.7M in 2023/24). However, the move into a pension surplus position means that an 'asset ceiling' adjustment is made to limit the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. An adjustment has been made in the accounts to apply this asset ceiling of £170.7M, as calculated by the actuary, as the year end results showed a net asset in the pension scheme.

The net pension liability of £116.7M represents an estimate following IAS19 requirements and there is no direct link to funding or employers' contribution rates. The net liability is matched by the Pension Reserve, also shown in the Balance Sheet.

There are statutory arrangements for funding any LGPS deficit by increased employer contributions over the remaining working life of employees, as determined by the Fund's Actuary. The triennial actuarial valuation of the Bedfordshire LGPS determines the future contribution rates for employers and reflects different assumptions from those required by IAS19. The triennial valuation as of 31 March 2022 certified a funding level of 91.5% for the Bedfordshire LGPS as a whole and 83.5% for this Council, compared with 80.5% and 73.9% respectively as of 31 March 2019.

Further details of the LGPS can be found in Note 40 Defined Benefit Pension Scheme.

Treasury Management and Borrowing

The Council's treasury management and capital financing strategy is to defer borrowing wherever possible and maintain cash balances sufficient only for operational purposes. The value of the Council's cash and cash equivalents as of 31 March 2025 was £16.7M (£7.3M 31 March 2024). The credit risk of banking failures is still present and diversification of investments between creditworthy counterparties continues to be important to mitigate investment risk where shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process.

Within the Treasury Management Strategy, the Council approved an authorised borrowing limit for 2024/25 of £931.4M (£911.9M in 2023/24). Capital receipts received in year amounted to £13.1M (£12.8M in 2023/24). The Council increased the need for short-term borrowing to £440.3M in 2024/25 (£196.5M in 2023/24).

At the end of the financial year, the Council had outstanding long-term external borrowing in place of £325.2M (£411.1M 2023/24) in respect of the funding of the capital programme and social housing.

Going Concern

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are themselves revenue raising bodies (with limits on their revenue raising powers, arising only at the discretion of Central Government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by Central Government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis. The Council's accounts are therefore produced under the Code and assume that the Council's services will continue to operate for the foreseeable future. Nonetheless, the Council has carried out an exercise to demonstrate that it is a going concern based on its current and forecast future financial position.

Local Government funding is a national issue; many councils have needed financial help from the Government over the last 12 months. The Council is not currently in that situation but, like many others, significant changes are needed to services. Rising costs and increasing demand for some services were already putting significant pressure on many services. This, coupled with a substantial increase in demand for adult social care and rising costs in children's residential care, meant costs were forecast to be £32M more than income in 2025/26. Tough decisions were taken as part of the budget setting process to reduce non-essential spend and amend service offerings.

In recognising the need for change, during 2024/25 a line by line budget review took place, the number of purchasing cards in circulation were reduced, additional checks were placed on expenditure and a recruitment freeze was implemented for all non-statutory roles. The Council has also reviewed its staffing levels to ensure that it is right-sized and able to withstand cost increases in the future. These actions are similar to those that would be implemented were a Section 114 notice served.

A Section 114 notice is a formal notification issued by a council's chief financial officer when they anticipate that the council's expenditure will exceed its income for a given financial year and that the authority will be unable to balance the budget. It essentially signals a potential financial crisis for the council. One in ten top-tier local authorities have already called for financial support from the government.

The Council is monitoring this situation carefully and, while current predictions suggest this is not required, the potential of issuing a section 114 notice now appears in the Council's risk register – this is testament to the recognition of the funding requirements and challenged of local authorities. The statutory override for the DSG deficit currently runs until 31 March 2028, if this is not extended beyond this date it will have serious ramifications across the sector and will impact on the Council's reserves balance. This situation is being monitored carefully.

The directorate outturn position as at 31 March 2025 was on balance, however this was achieved through utilisation in full of the 2024/25 contingency budget of £6.042M and the application of £24.3M of reserves, of which £15.1M was planned in the 2024/25 MTFP.

The Council, along with the Local Government Sector as a whole, remains in an extremely challenging financial environment. Inflation as well as increased demand and complexity for services is contributing to an increase in expenditure primarily with Adults and Children's Social Care. At the start of the 2024/25 financial year the Council reacted to a forecast overspend position by introducing financial controls to minimise the overspend position and application of unplanned reserves. These included a strict recruitment approval process, essential spending only and increased challenge and financial prudence across the Council.

The MTFP set out a sustainable and affordable financial plan that addresses the Council's priorities over the next four years. It provided for realistic levels of spending,

not dependent upon the use of one-off reserves and it provided for a prudent level of reserves for contingencies and other purposes.

As part of developing the 2025–2029 MTFP, these factors were recognised, and a significant emphasis was placed on accurately forecasting inflationary pressures which were to be built into the 2025/26 budget. The result being a closed budget gap and the replenishment of reserves over the period of £29.5M. The balanced position reported in 2024/25, alongside the Earmarked Reserves position highlighted below for 2025/26 further support this position.

The table below illustrates how the Council’s reserves would change over the course of the MTFP, with this incorporating the resources available to the Council at the close of 2024/25.

Forecast Reserves 2022-27	Year-end balance 2024/25 (£M)	Forecast balance as of 31 March (£M)			
		2025/26	2026/27	2027/28	2028/29
General Fund Reserves	26.4	26.4	26.4	26.4	26.4
Earmarked Reserves	20.6	12.2	21.2	30.9	42.7
HRA Reserves – including earmarked	6.0	6.4	6.5	6.9	7.3
Total	53.0	45.0	54.1	64.2	76.4

The Council has undertaken cash flow modelling through to March 2027 which demonstrates the Council’s ability to work within its Capital Financing Requirement and cash management framework, with a minimum headroom of £135M.

The Council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will be a going concern, at least 12 months from the date of the approval of these accounts. This is based on cash flow forecasting and the resultant liquidity position, taking account of cash and short-term investment balances of £16M as of 31 March 2027 and the ability for borrowing under the approved Treasury Management Strategy of up to £1,056.6M. This demonstrates that the Council has sufficient liquidity over the period, assuming forecast average borrowing of £826.5M. This level of borrowing is not unusual or inconsistent with previous levels of borrowing.

The Council has a track record of making tough financial decisions in times of constrained funding and can be expected to do so again.

Significant provisions or contingencies and material write-offs

There were £7.8M of provisions on 31 March 2025 (£11.2M 2023/24), the most significant being appeals in respect of business rates values, self-insurance arrangements and landlord business repairs and maintenance payments. The business rates appeals provision stood at £3.1M on 31 March 2025 (£3.6M 2023/24) and reflects the Council’s share of the total provision made within the Collection Fund in respect of business rate appeals. A further £2.6M (£2.3M 2023/24) relates to the Council’s insurance provision, which includes some liabilities in respect of the former Bedfordshire County Council which are managed on behalf of the Council and Bedford

Borough Council. The landlord business provision of £1.8M (£1.8M in 2023/24) is held in relation to a dispute over the total value of unpaid repairs and planned maintenance work carried out by a former supplier that is currently under adjudication.

There were no significant General Fund income write-offs in the year.

Material events after the reporting date

The Statement of Accounts were authorised for issue by the Director of Finance (s151 Officer) on 16 October 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing as of 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no events known to the Council which would need to be registered as events after the Balance Sheet date.

H. Conclusion

Through careful planning and management and the considered use of reserves, Central Bedfordshire Council has been able to close its 2024/25 accounts showing a balanced position. This will support the Council in meeting the financial challenges of 2025/26 and beyond.

Whilst a balanced budget has been set for 2025/26 the projections for future years indicate a relatively small gap between the Council's expected funding streams and the Council's planned expenditure. The financial context of 2025/26 and beyond is highly challenging given the increasing financial pressures on social care responsibilities. It is therefore essential that the Council continues with its programme to identify further savings opportunities to ensure future balanced budgets can be set.

Denis Galvin
Director of Finance (s151 Officer)
Central Bedfordshire Council
Priory House
Monks Walk
Chicksands
Bedfordshire
SG17 5TQ



Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Plan for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, the Director of Finance (s151 Officer) has this responsibility.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts. The Audit Committee, under delegated authority from the Council, fulfils this role.

The Director of Finance (s151 Officer)'s Responsibilities

The Director of Finance (s151 Officer) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

In preparing this statement, the Director of Finance (s151 Officer) has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice.

The Director of Finance (s151 Officer) has also:

- Kept proper accounting records, which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification and Approval

The Statement of Accounts presents a true and fair view of the financial position of Central Bedfordshire Council on 31st March 2025 and its income and expenditure for the year ended 31st March 2025.



Councillor Nigel Carnell – Chair of Audit Committee



Denis Galvin, Director of Finance (s151 Officer)
16th October 2025

CORE FINANCIAL STATEMENTS 2024/25

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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 or rents. The Council raises taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2023/24 Restated				2024/25		
Gross expenditure	Gross income	Net expenditure		Gross expenditure	Gross income	Net expenditure
£000	£000	£000	Notes	£000	£000	£000
166,716	(57,517)	109,199		173,441	(67,018)	106,423
			Social Care, Health, and Housing			
152,358	(54,522)	97,836		203,816	(74,482)	129,334
			Children's Services			
130,462	(27,538)	102,924		137,108	(38,064)	99,044
			Place and Communities			
20,418	(20,793)	(375)		24,000	(24,015)	(15)
			Public Health			
60,055	(48,214)	11,841		57,416	(48,335)	9,081
			Finance			
10,069	(2,246)	7,823		11,143	(3,681)	7,462
			Monitoring Officer			
72,144	(13,754)	58,390		55,668	(14,761)	40,907
			Resources & Organisation Change			
4,796	(9,230)	(4,434)		6,279	(4,347)	1,932
			Corporate Costs			
141,029	(138,096)	2,933		144,018	(150,079)	(6,061)
			Schools			
52,499	(38,341)	14,158		43,953	(42,571)	1,382
			Landlord Business (HRA)			
810,546	(410,251)	400,295		856,842	(467,353)	389,489
			Cost of services			
20,123	(4,653)	15,470	10	39,916	(5,910)	34,006
			Other operating expenditure			
27,717	(1,918)	25,799	11	30,045	(2,458)	27,587
			Financing and investment income and expenditure			
19,841	(360,435)	(340,594)	12	22,838	(392,432)	(369,594)
			Taxation and non-specific grant income and expenditure			
878,227	(777,257)	100,970	13	949,641	(868,153)	81,488
			(Surplus) or deficit on the provision of services			
		(2,708)	23			(51,517)
			(Surplus) or deficit on revaluation of property, plant, and equipment assets			
		344	23			79
			(Surplus) or deficit on revaluation of financial instruments at fair value through other comprehensive income and expenditure			
		(94,094)	40			75,816
			Remeasurement of the net defined benefit liability / (asset)			
		(96,458)				24,378
			Other comprehensive income and expenditure			
		4,512				105,866
			Total comprehensive income and expenditure			

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 Council, analysed into 'usable reserves' (i.e., 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 Council'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 or rents for the year.

The net (increase) / decrease line shows the statutory General Fund balance and Housing Revenue Account (HRA) balance movements in the year following those adjustments.

	General Fund balance £000	Housing Revenue Account £000	Capital receipts reserve £000	Major repairs reserve £000	Capital grants unapplied account £000	Total usable reserves £000	Unusable reserves £000	Total reserves of the Council £000
Balance as of 31 March 2024	(69,069)	(9,197)	0	0	(296)	(78,562)	(1,013,586)	(1,092,148)
Movement in reserves during 2024/25								
Total Comprehensive Income and Expenditure	77,917	3,572	0	0	0	81,489	24,377	105,866
Adjustments between accounting basis and funding basis under regulations – Note 8	(55,869)	(335)	0	0	15	(56,189)	56,189	0
(Increase) / Decrease in 2024/25	22,048	3,237	0	0	15	25,300	80,566	105,866
Balance as of 31 March 2025	(47,021)	(5,960)	0	0	(281)	(53,262)	(933,020)	(986,282)

	General Fund balance £000	Housing Revenue Account £000	Capital receipts reserve £000	Major repairs reserve £000	Capital grants unapplied account £000	Total usable reserves £000	Unusable reserves £000	Total reserves of the Council £000
Balance as of 31 March 2023	(120,784)	(15,129)	0	0	(296)	(136,209)	(960,451)	(1,096,660)
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure	85,946	15,024	0	0	0	100,970	(96,458)	4,512
Adjustments between accounting basis and funding basis under regulations – Note 8	(34,231)	(9,092)	0	0	0	(43,323)	43,323	0
(Increase) / Decrease in 2023/24	51,715	5,932	0	0	0	57,647	(53,135)	4,512
Balance as of 31 March 2024	(69,069)	(9,197)	0	0	(296)	(78,562)	(1,013,586)	(1,092,148)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the Council 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 unusable reserves, i.e., those reserves that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024			31 March 2025
£000	Notes		£000
1,944,610	14	Property, plant and equipment	2,019,190
11,485	15	Intangible assets	10,373
11,098	16	Long-term investments	15,819
11,259	16a	Long-term debtors	6,066
1,978,452		Long-term assets	2,051,448
146	16	Short-term investments	164
95,241	17	Short-term debtors	99,524
7,288	18	Cash and cash equivalents	16,655
0	19	Assets held for sale	4,247
102,675		Current assets	120,590
(196,490)	16	Short-term borrowing	(440,259)
(93,733)	20	Short-term creditors	(104,121)
(11,233)	21	Provisions	(7,817)
(301,456)		Current liabilities	(552,197)
(411,141)	16	Long-term borrowing	(325,249)
(69,296)	37/40	Other long-term liabilities	(128,327)
(206,467)	33	Grants receipts in advance - capital	(178,628)
(619)	16a	Long-term creditors	(1,355)
(687,523)		Long-term liabilities	(633,559)
1,092,148		Net assets	986,282
(78,562)	22	Usable reserves	(53,262)
(1,013,586)	23	Unusable reserves	(933,020)
(1,092,148)		Total reserves	(986,282)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the financial year. The Statement shows how the Council 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council'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 Council.

2023/24			2024/25
£000	Notes		£000
100,970		Net (surplus) or deficit on the provision of services	81,489
(70,736)	24	Adjustment to net surplus or deficit on the provision of services for non-cash movements	(81,171)
110,968	24	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	93,375
141,202		Net cash flows from operating activities	93,693
41,906	25	Net cash flows from investing activities	50,132
(181,634)	26	Net cash flows from financing activities	(153,192)
1,474		Net (increase) or decrease in cash and cash equivalents	(9,367)
8,762		Cash and cash equivalents at the beginning of the financial year	7,288
7,288		Cash and cash equivalents at the end of the financial year	16,655

These financial statements replace the unaudited financial statements presented to the meeting of the Audit Committee on 29 May 2025 and signed on 29 May 2025.

Authorised for issue 16th October 2025


D Galvin

Director of Finance (s151 Officer)

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1. ACCOUNTING POLICIES

i. General Principles

The Statement of Accounts summarise the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2024 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, 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.

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 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.
- 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 based on 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. Acquisitions and Discontinued Operations

When necessary, income and expenditure directly related to acquired or discontinued operations will be shown separately within the Comprehensive Income and Expenditure Statement (CIES) under the heading of acquired or discontinued operations.

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 highly liquid investments that mature overnight 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 and Estimates and Errors

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

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

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

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 Assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision (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 Central 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 (for NDR) 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 CIES 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 CIES 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 wholly 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 (e.g., cars) 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 (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account so that holiday entitlements 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 one of the three following pension schemes:

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

All schemes provided defined benefits to members (retirement lump sums and pensions), earned as former employees who worked for the Council.

However, the arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's Services and Schools lines in the CIES is charged with the employer's contributions payable to Teachers' Pensions and the Public Health line charged with contributions payable to the NHS Pension Scheme in the year.

The Local Government Pension Scheme

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

- The liabilities of the scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, which is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projected earnings for current employees;

- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond each year end as prescribed by IAS 19;
- The assets of the Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – market value (professional estimate);
 - unitised securities – current bid price;
 - property – market value (professional estimate).

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

Service cost comprising:

- current service cost – the increase in liabilities because 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 because of a scheme amendment or curtailment 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 CIES – 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.

Remeasurements comprising:

- 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 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 based on cash flows rather than as benefits 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 because of an award to any members 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 reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date 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 – the Statement of Accounts is adjusted to reflect such events;
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where such 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 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.

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

- Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows. 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 CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial 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 based on 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or 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 arise in the Surplus or Deficit on the Provision of Services.

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.

Fair Value Measurements of Financial Assets

The 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 Council's 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 derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

xi. 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 conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset 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 (specific revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where 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.

xii. Heritage Assets

Any Tangible or Intangible Heritage Assets held by the Council are not of material financial value. They are therefore classified as Property, Plant and Equipment (PPE) and are not separately disclosed in the accounting statements.

xiii. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council because of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the Intangible Asset to the Council.

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 re-valued 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 cost less accumulated depreciation and any accumulated impairment loss. 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 £10K) the Capital Receipts Reserve.

xiv. Interests in companies and other entities

The Council incorporated three wholly owned limited companies in June 2020: New Vista Homes Ltd (a housing development company), Care is Central Ltd (a social care provider) and The Central Bedfordshire Group Ltd (the holding company). In October 2023, the Council incorporated a fourth wholly owned limited company, Care is Central Residential Ltd (a social care provider which operationally manages residential care homes). The Council prepares group accounts for these entities. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

xv. Inventories

Any inventories held by the Council are not of material financial value. They are therefore not disclosed in the accounting statements.

xvi. Investment property

Investment properties are those that are used solely to earn rentals or for capital appreciation or both. 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.

The Council does not hold property assets only to earn income or for capital appreciation or both.

xvii. 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 more than 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 that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the 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 CIES.

Low value and short lease exemption

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 CIES 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 authority as lessor

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

Finance leases

Where the 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 CIES as part of the gain or loss on

disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the CIES 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 is apportioned between:

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

The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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 CIES. 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.

xviii. 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.

xix. Property, Plant and Equipment

Assets that have physical substance and are held for use in the provision of services, for income generation, or for administrative purposes on a continuing basis are classified as Property, Plant and Equipment (PPE).

- Recognition

Expenditure on the acquisition, creation, or enhancement of tangible fixed assets is capitalised on an accrual basis, if it will yield future economic benefits or service potential to the Council for more than one financial year and the cost can be reliably measured. This will include costs and fees incurred on capital projects, which are under construction at the year end, where it can be shown that either a new asset will be created, or an existing asset enhanced. All other expenditure on assets (i.e., repairs and maintenance) is charged to the CIES as an expense when it is incurred.

The Council sets a £10K de minimis level for capital spending / capital accounting purposes and spending below this limit is charged to service revenue accounts within the CIES, unless the spending forms part of a larger capital scheme.

- Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and
- 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 whilst assets are under construction.

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.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure and assets under construction – depreciated historical cost;
- dwellings – current value, determined using the basis of existing use value for social housing (EUV–SH);
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost (DRC) 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 current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

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

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Indexation is applied to assets not revalued in year.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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

- Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and Community Assets) and assets that are not yet available for use (i.e., Assets under Construction).

Depreciation is calculated on the following bases:

- Council dwellings – straight-line allocation over 60 years;
- Operational buildings – straight-line allocation over 50 years;
- Infrastructure – straight-line allocation over 25 years;
- Vehicles, plant, furniture, and equipment – straight-line allocation over 5 years.

Where a financially material item of Property, Plant and Equipment (PPE) over £1M in Net Book Value has major components over £250K of the asset value, the components will be depreciated separately where the useful life is substantially different, and the calculated depreciation can also be shown to be significantly different. Individual PPE assets with a Net Book Value of less than and including £1M will be classed as de-minimis and be excluded from the requirement to be componentised. Given that residential units are valued and reported individually, the Council does not componentise its HRA dwellings on the basis that the value for any single Council dwelling does not exceed £1M.

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

- Disposals and Non-current Assets Held for Sale

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

or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

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

Amounts received for a disposal more than £10K are categorised as capital receipts. The receipts remain 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.

xx. Private Finance Initiatives (PFI)

2024/25 was the 19th year of a 30-year PFI contract with Bedford Education Partnership Ltd for the provision of new buildings, the refurbishment of existing buildings and associated facilities management at two schools (Samuel Whitbread Academy and Harlington Upper School) which have both since converted to Academy status. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct new buildings, refurbish existing buildings and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the schools. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the Academies for nil consideration. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the remaining term of the contract.

The assets used to provide services at the schools are no longer recognised on the Council's Balance Sheet given that the schools have converted to Academy status and the assets were written out of the Council's asset register at the point of transfer to the Academy schools. The original recognition of these assets at fair value (based on the cost to purchase the property, plant, and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. This liability related to the PFI is held on the Balance Sheet as a long-term liability and is being cleared over the contract term which expires in 2035.

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

- fair value of the services received during the year – debited to the relevant service in the CIES;
- finance cost – an interest charge of 7.2% on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES;
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES;
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator;
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment (PPE) when the relevant works are eventually carried out.

xxi. 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.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering 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.

xxii. 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/Housing Revenue Account. 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 CIES. The reserve is then transferred back into the General Fund Balance/Housing Revenue Account so that there is no net charge against Council Tax or housing rents for the expenditure.

Certain reserves are kept managing 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 disclosure note 23 Unusable Reserves.

xxiii. 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 CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

xxiv. Schools

The Code confirms that the balance of control for Council-maintained schools (i.e., those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Council. The Code also stipulates that those schools' assets, liabilities, reserves, and cash flows are recognised in the Council's financial statements. 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.

xxv. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income as it is paid over to HMRC.

xxvi. Fair Value Measurement of Non-Financial Assets

The Council's accounting policy for fair value measurement of financial assets is set out in the above section xix Property, Plant, and Equipment (PPE). The Council also measures some of its non-financial assets such as surplus assets 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, if market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council considers 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.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Council is required 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 of Practice.

The accounting standards introduced by the 2025/26 CIPFA Code of Practice and relevant to the Council relate to changes to the measurement of non-investment assets under IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The main changes will be the following:

- A revaluation expedient for operational property, plant and equipment, requiring valuations on a five-year rolling basis and supported by indexation in intervening years. Intangible assets are to be held at historical cost only.

The Council will therefore adopt these changes from 1 April 2025.

It is not anticipated that these changes will have a material impact on the financial statements of the Council and transitional reporting requirements have been adopted such that the preceding year 2024/25 will not require to be restated.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council 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:

Uncertainty about future levels of government funding

There is a degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired because of a need to close facilities and reduce levels of service provision.

Controlling influence with other organisations

The Council is deemed to control its wholly owned subsidiary companies of New Vista Homes Limited (NVH) Care Is Central Limited (CIC), and Care Is Central Residential Limited (CICR), along with its non-trading holding company, The Central Bedfordshire Group Limited (CBG). For accounting purposes, these subsidiaries have been consolidated into the Council's Group Accounts.

Depreciation and componentisation

As financially material assets are re-valued or attract capital expenditure, the Council assesses these assets with a view to splitting them into their material components, where there may be a significant impact on how the asset is depreciated. Where the asset is not financially material or any component does not amount to over £250K,

the asset is not split as any effect on depreciation is immaterial to the financial statements. Where a financially material item of Property, Plant and Equipment over £1.0M in value has major components over £250K of the asset value, the components will be depreciated separately where the useful life is substantially different, and the calculated depreciation can also be shown to be significantly different.

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 Council about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Council's most difficult, subjective, or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet as of 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are valued by external professional staff qualified by the Royal Institute of Chartered Surveyors (RICS). Nevertheless, there is an inherent element of subjectivity with any asset valuation.

The value of an asset and its estimated useful economic life determine the depreciation charged to the Comprehensive Income and Expenditure Statement. If the useful lives of all assets are overstated by one year, depreciation would increase by £4.5M.

Given that the Council does not hold investment properties solely to earn rental income or for capital appreciation or both, the impact of valuation uncertainty on the Council's assets is minimal.

Pension Liabilities

There are several variable factors used when calculating future pension liabilities, e.g., mortality ratios and future economic conditions. An independent actuary estimates the values within the Balance Sheet.

If any of the factors used to calculate the net pension liability are incorrect, there would be an impact on the Balance Sheet and the Comprehensive Income and Expenditure Statement.

A 1% increase in the net pension liability would represent an increase of £1.167M charged to the Comprehensive Income and Expenditure Statement, reversed out to the Pension Reserve as per regulations.

Arrears

As of 31 March 2025, the Council had a balance of customer debtors for £25.158M. A review of significant balances suggested that an impairment of doubtful debts of £5.490M 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 10% increase in the amount of the impairment of doubtful debts would require an additional £0.549M to set aside as an allowance.

Non-Domestic Rates (NDR) Appeals

The Council has set aside a provision of £3.054M to cover successful appeals lodged against NDR bandings with the Valuation Office Agency, based on a professional estimate of outstanding appeals. An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would each have the effect of adding £0.305M to the provision needed.

4a. GOING CONCERN

The Council has carried out, and continues to undertake, a detailed assessment of its financial position and performance during 2024/25 and beyond. This includes consideration of: -

- The loss of income due to temporary closures, reductions in demand, and the increased collection losses.
- Additional expenditure incurred, e.g., provision of new and expanded services.
- Incorporating all changes to Government policy, and additional responsibilities which then sit alongside this.
- The impact on the Council's capital programme.
- The impact of all the above on the Council's cash flow and treasury management.
- The estimated overall impact on the Council's General Fund and Housing Revenue Account reserves.

It is noted that there is significant headroom within the General Fund in the short to medium-term. Local authorities are required to prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. For these reasons, the Council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future.

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), which is based upon UK adopted International Accounting Standards, as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period through to March 2027, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

The most recent year-end balances, as reported in these statements are as follows:

Date	General Fund Balance	General Fund Earmarked Reserves	HRA Balance	HRA Earmarked Reserves
31/3/2025	£26.383M	£20.638M	£5.000M	£0.960M

The expected General Fund Balance and General Fund Earmarked Reserves position has a predicted balance of £26.4M and £21.2M respectively as of 31 March 2027. This remains above our minimum level of General Fund balances as set by the Council's Director of Finance.

The expected HRA Balance and HRA Earmarked Reserves position has a predicted balance of £5.0M and £1.5M respectively as of 31 March 2027.

The cash flow forecasting and assessment of the adequacy of the Council's liquidity position demonstrates small negative cash balances throughout the going concern period, with an expectation for external borrowing to bridge the gap.

The key assumptions within this forecast include the achievement of £41.2M of savings, the continuation of the existing Business Rates Retention system, reduced reliance on New Homes Bonus as an income source in 2025/26. We have considered a downside scenario where an element of savings is potentially not met, and the above projections would not be significantly affected with both minimum levels of reserves and liquidity remaining through the same period.

On this basis, the Council have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

5. MATERIAL ITEMS OF INCOME AND EXPENSE

Where material items are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the nature and amount of material items are set out below.

The former community school of Icknield Lower School converted to Academy status in 2024/25 which resulted in a transfer of Property, Plant and Equipment valued at £7.270M from the Council's Balance Sheet.

Service Expenditure

The Council has made significant payments to the following contractors and providers that are not disclosed separately:

- FCC Environment Services (UK) Ltd - for the provision of waste collection and street cleansing services (£13.738M)
- Matrix SCM Ltd - for the supply of temporary agency staff (£8.967M)
- Veolia Environmental Services – for the provision of waste disposal services (£8.347M).

6. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Director of Finance (s151 Officer) on 16 October 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing as of 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no events known to the Council which would need to be registered as events after the Balance Sheet date.

7. EXPENDITURE AND FUNDING ANALYSIS

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It 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 are presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund and HRA Balance	2023/24 Restated	Net Expenditure in the Comprehensive Income and Expenditure Statement		2024/25	Net Expenditure in the Comprehensive Income and Expenditure Statement	
	Adjustments			Adjustments		
£000	£000	£000		£000	£000	
105,872	3,327	109,199	Social Care, Health & Housing	104,923	1,500	106,423
54,734	43,102	97,836	Children's Services	48,036	81,298	129,334
45,078	57,847	102,925	Place and Communities	64,171	34,873	99,044
(313)	(62)	(375)	Public Health	58	(73)	(15)
12,213	(372)	11,841	Finance	9,568	(488)	9,080
7,964	(141)	7,823	Monitoring Officer	7,525	(63)	7,462
47,544	10,845	58,389	Resources & Organisation Change	22,531	18,376	40,907
(1,615)	(2,819)	(4,434)	Corporate Costs	5,986	(4,053)	1,933
1,580	1,353	2,933	Schools	880	(6,941)	(6,061)
(368)	14,526	14,158	Landlord Business (HRA)	(5,012)	6,394	1,382
272,689	127,606	400,295	Net Cost of Services	258,666	130,823	389,489
(215,042)	(84,283)	(299,325)	Other Income and Expenditure	(233,382)	(74,619)	(308,001)
57,647	43,323	100,970	(Surplus) or Deficit on Provision of Services	25,284	56,204	81,488
		(135,913)	Opening Combined General Fund and HRA Balance			(78,266)
		57,647	Plus / less Surplus or Deficit on the General Fund and HRA Balance for the Year (Statutory basis)			25,284
		(78,266)	Closing Combined General Fund and HRA Balance			(52,982)

7a. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

	Adjustments for capital purposes £000	Net change for pension adjustments £000	2024/25 Other statutory differences £000	Total adjustments £000
Social Care, Health & Housing	3,457	(2,035)	78	1,500
Children's Services	65,963	(2,238)	17,572	81,298
Place and Communities	36,787	(1,898)	(15)	34,873
Public Health	0	(76)	3	(73)
Finance	(8)	(614)	134	(488)
Monitoring Officer	69	(177)	45	(63)
Resources & Organisation Change	19,511	(1,085)	(51)	18,376
Corporate Costs	0	(18)	(4,035)	(4,053)
Schools	220	(7,278)	118	(6,941)
Landlord Business (HRA)	14,334	(632)	(7,308)	6,394
Net Cost of Services	140,333	(16,051)	6,541	130,823
Other Income and Expenditure	(68,716)	47	(5,950)	(74,619)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	71,617	(16,004)	591	56,204

	Adjustments for capital purposes	Net change for pension adjustments	2023/24 Restated Other statutory differences	Total adjustments
	£000	£000	£000	£000
Social Care, Health & Housing	4,830	(1,595)	92	3,327
Children's Services	34,271	(1,957)	10,788	43,102
Place and Communities	59,382	(1,593)	57	57,847
Public Health	0	(64)	2	(62)
Finance	143	(515)	0	(372)
Monitoring Officer	8	(149)	0	(141)
Resources & Organisation Change	11,669	(919)	96	10,845
Corporate Costs	0	(32)	(2,787)	(2,819)
Schools	7,540	(6,291)	104	1,353
Landlord Business (HRA)	22,420	(581)	(7,313)	14,526
Net Cost of Services	140,263	(13,696)	1,039	127,606
Other Income and Expenditure	(82,257)	5,778	(7,804)	(84,283)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	58,006	(7,918)	(6,765)	43,323

Net Capital Statutory Adjustments

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- 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 that receivable in the year to that 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.

Net Pensions Statutory Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pensions 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.

Other Statutory Differences

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

- 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.

7b. SEGMENTAL INCOME

Income received on a segmental basis is analysed below:

2023/24 Restated				2024/25		
Revenue from external customers £000	Interest revenue £000	Total £000		Revenue from external customers £000	Interest revenue £000	Total £000
(21,453)	0	(21,453)	Social Care, Health & Housing	(24,978)	0	(24,978)
(3,630)	0	(3,630)	Children's Services	(3,090)	0	(3,090)
(12,301)	0	(12,301)	Place and Communities	(18,784)	0	(18,784)
(5,843)	0	(5,843)	Public Health	(6,403)	0	(6,403)
(1,609)	(169)	(1,778)	Finance	(1,554)	(249)	(1,803)
(1,207)	0	(1,207)	Monitoring Officer	(2,051)	0	(2,051)
(5,745)	0	(5,745)	Resources & Organisation Change	(6,642)	0	(6,642)
0	(1,749)	(1,749)	Corporate Costs	0	(2,209)	(2,209)
(4,269)	0	(4,269)	HRA	(4,702)	0	(4,702)
(56,057)	(1,918)	(57,975)	Total	(68,204)	(2,458)	(70,662)

8. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Council 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 Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance:

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

Housing Revenue Account Balance:

The HRA Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve:

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve:

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

Capital Grants Unapplied Account:

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.

2024/2025	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£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)	15,374	630				(16,004)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	5,950					(5,950)
Holiday pay (transferred to the Accumulated Absences Reserve)	(400)					400
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)	(83,890)	(14,229)				98,119
Total Adjustments to Revenue Resources	(62,966)	(13,599)				76,565

Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	2,180	5,910	(8,090)			
Posting of HRA resources from revenue to the Major Repairs Reserve		7,354		(7,354)		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,035					(4,035)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	882					(882)
Total Adjustments between Revenue and Capital Resources	7,097	13,264	(8,090)	(7,354)		(4,917)
Use of the Capital Receipts Reserve to finance capital expenditure			13,121			(13,121)
Use of the Major Repairs Reserve to finance capital expenditure				7,354		(7,354)
Application of capital grants to finance capital expenditure					15	(15)
Cash payments in relation to deferred capital receipts			(5,031)			5,031
Total Adjustments to Capital Resources	0	0	8,090	7,354	15	(15,459)
Total Adjustments	(55,869)	(335)	0	0	15	56,189

2023/2024	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £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)	7,587	331				(7,918)
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	7,804					(7,804)
Holiday pay (transferred to the Accumulated Absences Reserve)	(600)					600
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)	(78,076)	(21,443)				99,519
Total Adjustments to Revenue Resources	(63,285)	(21,112)				84,397
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	8,135	4,653	(12,788)			
Posting of HRA resources from revenue to the Major Repairs Reserve		7,367		(7,367)		
Transfer of deferred sale proceeds credited as part of the gain on disposal to the Comprehensive Income and Expenditure Statement	16,883					(16,883)
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	2,787					(2,787)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,249					(1,249)
Total Adjustments between Revenue and Capital Resources	29,054	12,020	(12,788)	(7,367)		(20,919)

Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure			12,788			(12,788)
Use of the Major Repairs Reserve to finance capital expenditure				7,367		(7,367)
Application of capital grants to finance capital expenditure					0	0
Total Adjustments to Capital Resources	0	0	12,788	7,367	0	(20,155)
Total Adjustments	(34,231)	(9,092)	0	0	0	43,323

9. MOVEMENT IN EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

	Balance as of 1 April 2023	Transfers In 2023/24	Transfers Out 2023/24	Balance as of 31 March 2024	Transfers In 2024/25	Transfers Out 2024/25	Balance as of 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
General Fund							
Insurance Reserve	(3,579)	(1,028)	1,641	(2,966)	(717)	608	(3,075)
Corporate Reserve	(63,850)	(9,163)	48,934	(24,079)	(2,617)	21,789	(4,907)
Children's Services Reserve	(329)	0	329	0	0	0	0
Social Care, Health, and Housing Reserve	(7,369)	(1,656)	5,277	(3,748)	(740)	2,222	(2,266)
Public Health Reserve	(2,938)	(313)	1,000	(2,251)	0	58	(2,193)
Schools Reserve	(6,213)	(4,981)	6,213	(4,981)	(3,921)	4,981	(3,921)
*Resources & Organisational Change Reserve	(2,129)	(251)	793	(1,587)	0	1,518	(69)
Finance Reserve	0	0	0	0	(1,123)	195	(928)
Loan Modification Reserve	(2,053)	0	478	(1,575)	0	353	(1,222)
Place and Communities Reserve	(5,773)	(464)	4,738	(1,499)	(598)	546	(1,551)
Monitoring Officer Reserve	0	0	0	0	(521)	14	(507)
Chief Executive Reserve	(168)	0	168	0	0	0	0
Total	(94,401)	(17,856)	69,571	(42,686)	(10,237)	32,284	(20,639)
Housing Revenue Account							
Strategic Reserve	(9,621)	0	6,077	(3,544)	0	3,401	(143)
Life Cycle Replacement Reserve	(508)	(145)	0	(653)	(164)	0	(817)
Total	(10,129)	(145)	6,077	(4,197)	(164)	3,401	(960)

*Following the split of the Resources Directorate in 2024/25, the Resources Reserve was split into the Finance Reserve and Resources & Organisational Change Reserve.

A Monitoring Officer Reserve was created in 2024/25.

10. OTHER OPERATING EXPENDITURE

2023/24		2024/25
£000		£000
15,535	Parish council precepts	16,506
895	Levies	930
(2,844)	(Gains)/losses on the disposal of non-current assets	9,300
1,884	Loss on transfer of school assets to Academies	7,270
15,470	Total	34,006

11. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24		2024/25
£000		£000
21,939	Interest payable and similar charges	29,998
5,778	Net interest on the net defined benefit liability / (asset)	47
(1,918)	Interest receivable and similar income	(2,458)
25,799	Total	27,587

12. TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2023/24		2024/25
£000		£000
(200,785)	Council tax income	(213,368)
(40,924)	Non-domestic rates income and expenditure	(44,441)
(17,588)	Non-ringfenced government grants	(26,499)
(81,297)	Capital grants and contributions	(85,286)
(340,594)	Total	(369,593)

13. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

2023/24	2024/25
£000	£000
Expenditure	
229,426 Employee benefit expenses	239,712
673,913 Other service expenses	711,494
(68,299) Depreciation, amortisation, and impairment	(65,615)
27,717 Interest payments	30,044
16,430 Precepts and levies	17,436
(960) Loss / (gain) on the disposal of assets	16,570
878,227 Total expenditure	949,641
Income	
(56,057) Sales, fees, and charges	(68,204)
(125,663) Other service income	(133,894)
(1,918) Interest and investment income	(2,458)
(241,709) Income from council tax and non-domestic rates	(257,809)
(351,909) Government grants and contributions	(405,788)
(777,257) Total income	(868,153)
100,970 (Surplus) or deficit on the provision of services	81,488

14. PROPERTY, PLANT AND EQUIPMENT

	Council Dwellings £000	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or valuation								
As of 1 April 2024	617,538	743,632	54,346	574,704	2,248	62,418	112,583	2,167,470
Adjustments to opening value*		2,819	1,025					3,844
Adjusted opening value	617,538	746,451	55,371	574,704	2,248	62,418	112,583	2,171,313
Additions	28,556	17,868	3,127	17,282		535	46,101	113,469
Revaluation increases/(decreases) recognised in the Revaluation Reserve	37,033	(684)			(114)	(488)		35,747
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,039)	(17,565)			(501)	261		(24,844)
Derecognition – disposals	(4,457)	(20,214)	(2,117)					(26,788)
Reclassification to AHFS						(4,247)		(4,247)
Other movements in cost or valuation	2,516	59,488				7,447	(69,451)	0
As of 31 March 2025	674,147	785,344	56,381	591,986	1,633	65,926	89,233	2,264,650
Accumulated depreciation and impairment								
As of 1 April 2024	0	(453)	(37,582)	(184,825)	0	0	0	(222,860)
Depreciation charge	(7,204)	(10,882)	(4,888)	(19,938)		(51)		(42,963)
Depreciation written out to the Revaluation Reserve	7,193	10,991				51		18,235
Derecognition – disposals	11		2,117					2,128
As of 31 March 2025	0	(344)	(40,353)	(204,763)	0	0	0	(245,460)
Net book value								
As of 31 March 2025	674,147	785,000	16,028	387,223	1,633	65,926	89,233	2,019,190
As of 31 March 2024	617,538	743,179	16,764	389,879	2,248	62,418	112,583	1,944,610

	Council Dwellings	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
As of 1 April 2023	621,699	706,544	54,755	524,219	2,171	101,889	70,256	2,081,533
Additions	20,100	16,402	2,439	24,538		6,564	85,998	156,041
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(20,669)	28,967			57	(22,747)		(14,392)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(14,919)	(8,528)			20	(1,117)		(24,544)
Derecognition – disposals	(3,380)	(3,111)	(2,848)	(48)		(21,782)		(31,169)
Other movements in cost or valuation	14,707	3,358		25,995		(389)	(43,671)	0
As of 31 March 2024	617,538	743,632	54,346	574,704	2,248	62,418	112,583	2,167,470
Accumulated depreciation and impairment								
As of 1 April 2023	0	(175)	(34,869)	(166,802)	0	0	0	(201,846)
Depreciation charge	(7,253)	(10,082)	(5,487)	(18,071)		(57)		(40,950)
Depreciation written out to the Revaluation Reserve	7,238	9,805				57		17,100
Derecognition – disposals	14		2,774	48				2,836
Other movements in depreciation	1	(1)						0
As of 31 March 2024	0	(453)	(37,582)	(184,825)	0	0	0	(222,860)
Net book value								
As of 31 March 2024	617,538	743,179	16,764	389,879	2,248	62,418	112,583	1,944,610
As of 31 March 2023	621,699	706,369	19,886	357,417	2,171	101,889	70,256	1,879,687

* For Land and Buildings and Vehicles, Plant, Furniture & Equipment an adjustment has been made to the gross valuation opening balances for the adoption of IFRS16 Leases.

Depreciation:

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

- Council dwellings - 60 years
- Operational buildings - 50 years
- Infrastructure - 25 years
- Vehicles, plant, and equipment - 5 years.

Capital Commitments:

The Council has entered contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 (or earlier). Future year capital commitments are £26.6M as of 31 March 2025 (£62.5M as of 31 March 2024). The major commitments are:

- Leighton Linlade Leisure Centre £21.5M
- Edward Peake School - £5.1M

Revaluations

The Council carries out a rolling programme that ensures that all property required to be measured at current value is revalued at least every five years. All valuations were carried out externally. 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 Institute of Chartered Surveyors.

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

	Council Dwellings £000	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at historical cost			16,028	387,223			89,233	492,484
Valued at current value as at:								
31 March 2025	674,147	176,123			998	7,467		858,735
31 March 2024		165,470			30	39,067		204,567
31 March 2023		197,222				5,354		202,576
31 March 2022		96,249			606	6,176		103,031
31 March 2021		149,936				7,862		157,798
Total cost or valuation	674,147	785,000	16,028	387,223	1,634	65,926	89,233	2,019,191

15. INTANGIBLE ASSETS

The Council accounts for its software as Intangible Assets, to the extent that the software is not an integral part of an IT system and accounted for as part of the hardware item in Property, Plant and Equipment.

All software is given a finite useful life, based on an assessment of the period that the software is expected to be of use to the Council. A useful life of 5 years is assigned to the Council's Intangible Assets.

The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £2.940M charged to revenue in 2024/25 (£2.805M in 2023/24) was charged to the IT service and then absorbed as an overhead across all the service headings in the Cost of Services.

The movement on Intangible Asset balances during the year is as follows:

2023/24		2024/25
£000		£000
	Balance at start of year:	
25,142	Gross carrying amounts	26,652
(12,362)	Accumulated amortisation	(15,167)
12,780	Net carrying amount at start of year	11,485
1,887	Additions	1,828
(377)	Disposals	0
(2,805)	Amortisation for the period	(2,940)
11,485	Net carrying amount at end of year	10,373
	Comprising:	
26,652	Gross carrying amounts	28,480
(15,167)	Accumulated amortisation	(18,107)
11,485	Total	10,373

16. FINANCIAL INSTRUMENTS

Non-Current Financial Assets					
	Investments		Debtors		Total
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	
	£000	£000	£000	£000	£000
Fair value through profit and loss	6,848	6,769	0	0	6,769
Amortised cost	4,250	9,050	11,259	6,066	15,116
Total financial assets	11,098	15,819	11,259	6,066	21,885

Current Financial Assets							
	Investments		Debtors		Cash		Total
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	
	£000	£000	£000	£000	£000	£000	£000
Fair value through profit and loss	0	0	0	0	17,765	18,425	18,425
Amortised cost	146	164	36,063	35,228	(10,624)	(1,769)	33,623
Total financial assets	146	164	36,063	35,228	7,141	16,656	52,048

Non-Current Financial Liabilities							
	Borrowings		Creditors		Other long-term liabilities		Total
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	
	£000	£000	£000	£000	£000	£000	£000
Amortised cost	(411,141)	(325,249)	(619)	(1,355)	(12,381)	(11,600)	(338,204)
Total financial liabilities	(411,141)	(325,249)	(619)	(1,355)	(12,381)	(11,600)	(338,204)

Current Financial Liabilities					
	Borrowings		Creditors		Total
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	
	£000	£000	£000	£000	£000
Amortised cost	(196,489)	(440,259)	(72,703)	(68,147)	(508,406)
Total financial liabilities	(196,489)	(440,259)	(72,703)	(68,147)	(508,406)

Income, Expense, Gains and Losses

	31 March 2024		31 March 2025	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net (gains)/losses on:				
• financial assets measured at fair value through other comprehensive income	344	0	79	0
Total net (gains)/losses	344	0	79	0
Interest revenue:				
• financial assets measured at amortised cost	(463)		(654)	
• other financial assets measured at fair value through other comprehensive income	(1,455)		(1,804)	
Total interest revenue	(1,918)		(2,458)	
Interest expense	21,797		29,787	
Fee expense:				
• financial assets or financial liabilities that are not at fair value through profit or loss	143		211	
Total fee expense	143		211	

16a. FINANCIAL INSTRUMENTS – FAIR VALUE

Financial Assets Measured at Fair Value

Recurring Fair Value Measurements:

		31 March 2024	31 March 2025
	Level	£000	£000
Lime Fund	1	5,172	5,093
Money Market Funds	1	17,765	18,425
Pathfinder Legal Services Ltd	3	475	475
New Vista Homes Ltd	3	1,201	1,201
Balance 31 March		24,613	25,194

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

	Restated			
	31 March 2024		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial liabilities held at amortised cost	(607,630)	(521,002)	(765,508)	(657,825)
Long-term creditors	(619)	(619)	(1,355)	(1,355)
PFI and finance lease liabilities	(12,949)	* (12,949)	(12,381)	(12,381)
Total	(621,198)	(534,570)	(779,244)	(671,561)

* Fair value disclosures of PFI and finance lease liabilities have been restated as the carrying amount.

The fair value of borrowings is lower than the carrying amount because the Council's portfolio of loans includes several fixed rate loans where the interest rate payable is lower

Financial Assets

	31 March 2024		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial Assets held at Amortised Cost	4,396	4,389	9,214	9,415
Long-Term Debtors	11,259	11,259	6,065	6,065
Total	15,655	15,648	15,279	15,480

The fair value and carrying amount of financial assets are similar given that the assets are carried at a fair approximation of their value.

17. DEBTORS

31 March 2024		31 March 2025
£000		£000
36,063	Trade receivables	35,228
23,070	Prepayments	* 17,988
36,108	Other receivable amounts	46,308
95,241	Total	99,524

* The prepayments figure as of 31 March 2025 of £18.0M includes a £7.3M cash payment in advance to Bedfordshire Pension Fund in respect of the fixed element 'secondary rate' Employer's pension contribution to obtain a discount saving.

17a. DEBTORS FOR LOCAL TAXATION

The gross overdue amount for local taxation (Council Tax and Non-Domestic Rates) can be analysed by age as follows:

31 March 2024		31 March 2025
£000		£000
1,760	Less than three months	1,802
1,760	Three to six months	1,802
3,520	Six months to one year	3,604
11,702	More than one year	12,014
18,742	Total	19,222

18. CASH AND CASH EQUIVALENTS

31 March 2024		31 March 2025
£000		£000
(10,511)	Cash and bank balances	(1,805)
17,765	Short-term investments	18,425
34	Short-term deposits	35
7,288	Total	16,655

19. ASSETS HELD FOR SALE

Current 31 March 2024 £000		Current 31 March 2025 £000
0	Balance outstanding at start of year	0
	Assets newly classified as held for sale:	
0	Property, plant and equipment	4,247
0	Balance outstanding at year-end	4,247

20. CREDITORS

31 March 2024 £000		31 March 2025 £000
(72,703)	Trade payables	(68,147)
(21,030)	Other payables	(35,974)
(93,733)	Total	(104,121)

21. PROVISIONS

Current provisions

	Insurance provision £000	Business rate appeals £000	Landlord business (HRA) £000	Other provisions £000	Total £000
Balance 1 April 2024	(2,325)	(3,589)	(1,820)	(3,499)	(11,233)
Additional provisions made in 2024/25	(1,454)	(3,733)	0	(10)	(5,197)
Amounts used in 2024/25	120	4,268	0	3,191	7,579
Unused amounts reversed in 2024/25	1,034	0	0	0	1,034
Balance 31 March 2025	(2,625)	(3,054)	(1,820)	(318)	(7,817)

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

For example, the insurance provision sets aside amounts required to meet potential claims that may be met by the Council within the agreed excess limits with the insurers. Where some or all the payment required to settle a provision is expected to be recovered from a third party, this will only be recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Insurance Provision:

The Council has several injuries and compensation claims in progress where the Council is alleged to be at fault. Provision is made for those claims where it is deemed probable that the Council may have to incur costs and make settlement where any payments will not be met by relevant insurance contracts.

Business Rates Appeals:

Under NDR retention, the Council has a percentage share of all business rates income net of any backdated reductions. Rate payers can appeal a valuation, and they have five years in which to do so from the date of the creation of the Rating List. This appeals provision has been calculated based on information provided by the Valuation Office Agency and external bodies, combined with local knowledge of the Rating List.

Landlord Business (HRA):

The Council had provided for the financial settlement of works carried out by a former building repairs and maintenance contractor relating to an ongoing legal dispute.

Other Provisions:

The Council has provided for a small number of specific ongoing legal cases.

22. USABLE RESERVES

The table below provides a breakdown of the Council's Usable Reserves included in the Movement in Reserves Statement.

31 March 2024		31 March 2025
£000		£000
(69,069)	General Fund Balance	(47,021)
(9,197)	Housing Revenue Account Balance	(5,960)
(296)	Capital Grants Unapplied Account	(281)
(78,562)	Total	(53,262)

General Fund Balance

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

31 March 2024		31 March 2025
£000		£000
(120,784)	Balance 1 April	(69,069)
85,946	Total Comprehensive Income and Expenditure	77,917
(34,231)	Adjustments between accounting basis and funding basis under regulations – Note 8	(55,869)
(69,069)	Total	(47,021)

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

31 March 2024		31 March 2025
£000		£000
(15,129)	Balance 1 April	(9,197)
15,024	Total Comprehensive Income and Expenditure	3,572
(9,092)	Adjustments between accounting basis and funding basis under regulations – Note 8	(335)
(9,197)	Total	(5,960)

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The capital resources available were fully applied for these purposes as of 31 March 2025.

31 March 2024		31 March 2025
£000		£000
0	Balance 1 April	0
(12,788)	Capital Receipts in year	(8,090)
0	Deferred Capital Receipts realised	(5,031)
12,788	Capital Receipts used for financing	13,121
0	Total	0

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The capital resources available were fully applied for these purposes as of 31 March 2025.

31 March 2024 £000		31 March 2025 £000
0	Balance 1 April	0
(7,367)	Depreciation and Amortisation	(7,354)
7,367	Application to finance capital expenditure	7,354
0	Total	0

Capital Grants Unapplied Account

The Capital Grants Unapplied Account 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.

31 March 2024 £000		31 March 2025 £000
(296)	Balance 1 April	(296)
0	Capital grants and contributions applied	15
(296)	Total	(281)

23. UNUSABLE RESERVES

The table below provides a breakdown of the Council's Unusable Reserves included in the Movement in Reserves Statement. Unusable Reserves have no immediate impact on the current resources available to the Council but do illustrate potential long term financial resourcing implications.

31 March 2024		31 March 2025
£000		£000
(604,291)	Revaluation Reserve	(634,837)
(172)	Financial Instruments Revaluation Reserve	(93)
(502,084)	Capital Adjustment Account	(468,756)
56,914	Pensions Reserve	116,726
(16,883)	Deferred Capital Receipts Reserve	(11,852)
25,789	Collection Fund Adjustment Account	19,839
4,500	Accumulated Absences Account	4,900
22,641	Dedicated Schools Grant Adjustment Account	41,053
(1,013,586)	Total	(933,020)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment.

The balance is reduced when assets with accumulated gains are:

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

31 March 2024		31 March 2025
£000		£000
(629,466)	Balance on 1 April	(604,291)
(62,886)	Upward revaluation of assets	(87,861)
60,177	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	36,344
(2,709)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(51,517)
7,518	Difference between fair value depreciation and historical cost depreciation	7,882
20,366	Accumulated gains on assets sold or scrapped	13,089
27,884	Amount written off to the Capital Adjustment Account	20,971
(604,291)	Balance on 31 March	(634,837)

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through Other Comprehensive Income and Expenditure. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost; or
- disposed of and the gains are realised.

31 March 2024		31 March 2025
£000		£000
(516)	Balance on 1 April	(172)
344	Downward revaluation of investments	79
(172)	Balance on 31 March	(93)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Non-Current Assets and for financing the acquisition, construction, or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction, and subsequent expenditure.

The Account also contains 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 8 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

31 March 2024 £000		31 March 2025 £000
(537,687)	Balance on 1 April	(502,084)
40,950	Charges for depreciation and impairment of non-current assets	42,963
24,544	Revaluation (gains)/losses on non-current assets	19,712
2,805	Amortisation of intangible assets	2,940
71,964	Revenue expenditure funded from capital under statute	74,718
28,711	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	24,659
168,974	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	164,992
(27,884)	Adjusting Amounts written out of the Revaluation Reserve	(20,971)
141,090	Net written out amount of the cost of non-current assets consumed in the year	144,021
	Capital financing applied in the year:	
(12,788)	Use of the Capital Receipts Reserve to finance new capital expenditure	(13,121)
(7,367)	Use of the Major Repairs Reserve to finance new capital expenditure	(7,354)
(81,297)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(85,301)
(2,787)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(4,035)
(1,249)	Capital expenditure charged against the General Fund and HRA balances	(882)
(105,488)	Capital financing applied in year	(110,693)
(502,084)	Balance on 31 March	(468,756)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the 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 pays 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.

31 March 2024		31 March 2025
£000		£000
158,926	Balance on 1 April	56,914
(94,094)	Remeasurements of the net defined benefit (liability)/asset	75,816
28,517	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	21,621
(36,435)	Employer's pensions contributions and direct payments to pensioners payable in the year	(37,625)
56,914	Balance on 31 March	116,726

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

31 March 2024		31 March 2025
£000		£000
	0 Balance on 1 April	(16,883)
(16,883)	Transfer of deferred sale proceeds credited as part of the gain on disposal to the Comprehensive Income and Expenditure Statement	0
0	Transfer to the Capital Receipts Reserve upon receipt of cash	5,031
(16,883)	Balance on 31 March	(11,852)

Collection Fund Adjustment Account

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 taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

31 March 2024		31 March 2025
£000		£000
33,593	Balance on 1 April	25,789
(7,804)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(5,950)
25,789	Balance on 31 March	19,839

Accumulated Absences Account

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

31 March 2024		31 March 2025
£000		£000
3,900	Balance on 1 April	4,500
(3,900)	Settlement or cancellation of accrual made at the end of the preceding year	(4,500)
4,500	Amounts accrued at the end of the current year	4,900
600	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	400
4,500	Balance on 31 March	4,900

Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools' budget. Where the Council has incurred a deficit on its schools' budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

31 March 2024		31 March 2025
£000		£000
10,799	Balance on 1 April	22,641
11,842	Schools budget deficit transferred from General Fund in accordance with statutory requirements	18,412
22,641	Balance on 31 March	41,053

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

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

As of 31 March 2025, the cumulative DSG deficit stood at £41.053M (up from £22.641M as of 31 March 2024). The statutory instrument, which prevents the deficit from being offset against useable reserves, expires on 31 March 2028. These accounts have been prepared on the basis the Government will find a solution towards dealing with the overspends before then as part of the Comprehensive Spending Review due in the summer of 2025.

* Such DSG deficits have accumulated over several years and are now common amongst upper tier councils responsible for SEND provision and have come about because of national policy decisions about the SEND system for which the grant is “far from sufficient to meet this demand” (Reference: [Select Committee Report into Local Authorities in Financial Distress](#)).

24. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

31 March 2024		31 March 2025
£000		£000
(1,784)	Interest received	(2,336)
18,965	Interest paid	26,370
17,181	Total	24,034

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

31 March 2024		31 March 2025
£000		£000
(40,950)	Depreciation	(42,963)
(24,544)	Impairment and downward valuations	(19,712)
(2,805)	Amortisation	(2,940)
5,152	(Increase)/decrease in creditors	(8,256)
17,073	Increase/(decrease) in debtors	(1,586)
7,918	Movement in pension liability	16,004
(28,711)	Carrying amount of non-current assets and non-current assets held for sale, sold, or derecognised	(24,659)
(3,869)	Other non-cash items charged to the net surplus or deficit on the provision of services	2,941
(70,736)	Total	(81,171)

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

31 March 2024		31 March 2025
£000		£000
29,671	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8,089
81,297	Any other items for which the cash effects are investing or financing cash flows	85,286
110,968	Total	93,375

25. CASH FLOW STATEMENT – INVESTING ACTIVITIES

31 March 2024 £000		31 March 2025 £000
156,572	Purchase of property, plant and equipment, investment property and intangible assets	116,929
35,198	Purchase of short-term and long-term investments	43,780
1,054	Other payments for investing activities	0
(12,788)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(13,120)
(36,398)	Proceeds from short-term and long-term investments	(38,980)
(101,732)	Other receipts from investing activities	(58,477)
41,906	Net cash flows from investing activities	50,132

26. CASH FLOW STATEMENT – FINANCING ACTIVITIES

31 March 2024 £000		31 March 2025 £000
(784,600)	Cash receipts of short-term and long-term borrowing	(1,065,000)
788	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	1,035
629,298	Repayments of short-term and long-term borrowing	910,757
(27,120)	Other payments/(receipts) for financing activities	16
(181,634)	Net cash flows from financing activities	(153,192)

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of Liabilities Arising from Financing Activities

	1 April 2024	Financing cash flows	Changes which are not financing cash flows	Other non- financing Acquisition cash flows	31 March 2025
	£000	£000	£000	£000	£000
Long-term borrowings	(411,140)	(33,703)	0	119,594	(325,249)
Short-term borrowings	(196,490)	(120,540)	0	(123,229)	(440,259)
On Balance Sheet PFI liabilities	(12,949)	568	0	0	(12,381)
Total liabilities from financing activities	(620,579)	(153,675)	0	(3,635)	(777,889)

	1 April 2023	Financing cash flows	Changes which are not financing cash flows	Other non- financing Acquisition cash flows	31 March 2024
	£000	£000	£000	£000	£000
Long-term borrowings	(323,668)	(90,000)	0	2,528	(411,140)
Short-term borrowings	(125,754)	(67,563)	0	(3,173)	(196,490)
On Balance Sheet PFI liabilities	(13,737)	788	0	0	(12,949)
Total liabilities from financing activities	(463,159)	(156,775)	0	(645)	(620,579)

28. POOLED BUDGETS

Better Care Fund:

The Council has entered a pooled budget arrangement with the NHS Bedfordshire, Luton and Milton Keynes Integrated Care Board (ICB) for the provision of health and social care services to meet the needs of people living in Bedfordshire.

The ICB and Central Bedfordshire Council (CBC) have signed a Section 75 Framework Partnership Agreement relating to the Better Care Fund (BCF) to jointly commission and deliver 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 locality. Each partner then manages the contracts with their own providers of BCF services and each partner retains any financial risk relating to those contracts.

CBC provides financial management for this budget arrangement which is accounted for as a pooled budget.

2023/24 £000	Better Care Fund	2024/25 £000
(25,753)	Council Funding	(28,040)
(12,885)	Partner Funding	(13,757)
(38,638)	Total Pooled Funding	(41,797)
16,438	Council Expenditure	18,592
12,885	Partner Expenditure	13,757
29,323	Expenditure	32,349
(9,315)	Net (Surplus) / Deficit Arising on the Pooled Budget during the year	(9,448)
(9,315)	Council Share of the Net (Surplus) / Deficit Arising on the Pooled Budget	(9,448)

Bedfordshire Community Equipment Service:

CBC has entered a pooled budget arrangement with Bedford Borough Council (BBC) and the NHS Bedfordshire, Luton, and Milton Keynes Integrated Care Board (ICB) for the provision of community equipment services to meet the needs of people living in Bedfordshire. During 2024/25, the Council has continued responsibility for hosting the pooled budget on behalf of the partners to the agreement.

The partners contribute funds to the agreed budget equal to 20.6% (CBC), 13.4% (BBC), and 66.0% (ICB) of the budget respectively. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year.

2023/24	Bedfordshire Community Equipment Service	2024/25
£000		£000
(679)	Council Funding	(678)
(2,618)	Partner Funding	(2,615)
(3,297)	Total Pooled Funding	(3,293)
3,297	Council Expenditure	3,293
0	Partner Expenditure	0
3,297	Expenditure	3,293
0	Net (Surplus) / Deficit on the Pooled Budget	0
0	Council Share of the Net (Surplus) / Deficit	0

29. MEMBERS' ALLOWANCES

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

31 March 2024		31 March 2025
£000		£000
1,171	Salaries	1,040
86	Expenses	76
1,257	Total	1,116

30. OFFICERS' REMUNERATION

Senior officers are defined by the Council as any officer at Director level or above, or reporting directly to the Chief Executive. During 2024/25, this classification included the Chief Executive, six Director positions, the Monitoring Officer and the Office of the Chief Executive Lead. The remuneration paid to the Council's senior employees is as follows:

		Salary, Fees, and Allowances £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Executive (M Coiffait)	2024/25	201,010	0	51,459	252,469
	2023/24	196,107	0	50,007	246,114
Deputy Chief Executive & Director of Place and Communities) (L Carver)	2024/25	156,023	0	39,942	195,965
	2023/24	144,900	0	36,950	181,850
Deputy Chief Executive & Director of Resources (C Warboys)	2024/25	41,293	0	10,571	51,864
	2023/24	165,522	0	42,208	207,730
Director of Resources and Organisational Change (R Ling)	2024/25	55,942	0	14,321	70,263
Director of Finance (D Galvin)	2024/25	97,001	0	24,832	121,833
Director of Children's Services (S-J Smedmor)	2024/25	39,490	0	10,109	49,599
	2023/24	148,650	0	37,906	186,556
Interim Director of Children's Services (H Griffin)	2024/25	57,417	0	14,699	72,116
Director of Children and Families (A Gordon)	2024/25	54,583	0	13,973	68,557
Director of Social Care, Health and Housing (A Sharp)	2024/25	161,175	0	41,261	202,436
	2023/24	157,243	0	40,097	197,340
Director of Public Health (V Head)	2024/25	53,085	0	10,564	63,648
	2023/24	48,955	0	9,710	58,665
Monitoring Officer (N Taylor)	2024/25	66,707	0	17,077	83,784
Office of the Chief Executive - Lead (V Chapman)	2024/25	64,567	0	16,529	81,097
	2023/24	107,132	0	27,319	134,450
Total	2024/25	1,048,293	0	265,337	1,313,630
	2023/24	968,509	0	244,197	1,212,706

The Director of Public Health is funded by Central Bedfordshire Council, Bedford Borough Council and Milton Keynes Council. The post is formally employed by Bedford Borough Council and Central Bedfordshire Council was recharged 37.9% of their salary and employer's pension contribution in 2024/25 as shown in the above table.

Charles Warboys, Deputy Chief Executive and Director of Resources, retired on 30th June 2024. Following this retirement the Resources directorate was split into Resources & Organisational Change and Finance. Denis Galvin was appointed as Acting Director of Finance on 1st July 2024, before being appointed to the permanent position from 1st August 2024. Robert Ling was appointed Director of Resources and Organisational Change on 4th November 2024. The Director of Place and Communities took on the additional responsibility of Deputy Chief Executive. The Monitoring Officer reported directly to the Chief Executive following the Director of Resources retirement and their salary is only shown here from 1st July 2024.

Sarah-Jane Smedmor left as the Director of Children's Services on 5th July 2024 and Hayley Griffin took on the interim role between July and November 2024. Amana Gordon was appointed to the permanent position and started on 20th November 2024, at which point the directorate also changed its name to Children and Families.

The Office of the Chief Executive – Lead post was deleted at the end of October 2024 and Vikki Chapman assumed the role of Service Director Resources and Organisational Change, reporting to the Director. The salary reported here is therefore only until the end of October 2024.

In addition, Marcel Coiffait also received payments of £18,715 for undertaking Returning Officer duties in the local elections which took place in 2024/25. Charles Warboys received £123, Vikki Chapman £365, Lorna Carver £331, Sarah-Jane Smedmor £123 and Andrew Sharp £123 relating to election duties in 2024/25

There were no other payments in either year to senior employees in relation to bonuses.

The table below shows the Council's other employees, including school staff, receiving more than £50,000 salary remuneration for the year (excluding employer's pension contributions, redundancy payments and reimbursement of business expenses):

Officer Remuneration	Number of Employees	
	2023/24	2024/25
£50,001 to £55,000	198	262
£55,001 to £60,000	137	143
£60,001 to £65,000	67	82
£65,001 to £70,000	54	53
£70,001 to £75,000	41	33
£75,001 to £80,000	19	40
£80,001 to £85,000	19	12
£85,001 to £90,000	8	15
£90,001 to £95,000	6	4
£95,001 to £100,000	9	6
£100,001 to £105,000	4	8
£105,001 to £110,000	3	2
£110,001 to £115,000	4	1
£115,001 to £120,000	0	3
£120,001 to £125,000	0	1
£125,001 to £130,000	1	0
£130,001 to £135,000	1	0
£135,001 to £140,000	0	1
£140,001 to £145,000	0	0
£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	0	0
£165,001 to £170,000	1	0
£170,001 to £175,000	0	1
£175,001 to £180,000	0	1
£180,001 to £185,000	0	0
£185,001 to £190,000	0	0
£190,001 to £195,000	0	0
£195,001 to £200,000	1	0
Total	573	668

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 (£)	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	2	9	3	11	5	20	45,957	157,725
£20,001 - £150,000	1	4	3	2	4	6	172,993	319,673
Total	3	13	6	13	9	26	218,950	477,398

The table above shows all exit packages that have been charged to the Council's Comprehensive Income and Expenditure Statement in the current year and includes all benefits on termination, e.g., redundancy, pay in lieu of notice, severance and actuarial strain.

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 returns:

2023/24		2024/25
£000		£000
240	Fees payable to external auditors regarding external audit services carried out by the appointed auditor for the year	379
53	* Fees payable in respect of other services provided by external auditors during the year	69
293	Total	448

* Work undertaken by other auditors appointed directly by the Council and not those of the auditors appointed to undertake the financial statements review.

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 2024. The Schools' Budget includes elements for a range of educational services provided on a Council-wide basis and for the Individual Schools' Budget (ISB), which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2024/25 are as follows:

Notes	DSG Receivable for 2024/25	Central Expenditure £000	Individual Schools Budget £000	Total £000
A	Final DSG for 2024/25 before academy and high needs recoupment			322,751
B	Academy and high needs figure recouped for 2024/25			(163,307)
C	Total DSG after academy and high needs recoupment for 2024/25			159,444
D	Plus: Brought forward from 2023/24			0
E	Agreed initial budgeted distribution in 2024/25	50,129	109,315	159,444
F	In-year adjustments	51	(76)	(25)
G	Final budget distribution for 2024/25	50,180	109,239	159,419
H	Less: Actual central expenditure	(66,373)		(66,373)
I	Less: Actual ISB deployed to schools		(111,458)	(111,458)
J	In-year carry-forward to 2025/26	(16,193)	(2,219)	(18,412)

K	DSG unusable reserve at the end of 2023/24	(22,641)
L	Addition to DSG unusable reserve at the end of 2024/25	(18,412)
M	Total of DSG unusable reserve at the end of 2024/25	(41,053)
N	Net DSG position at the end of 2024/25	(41,053)

Notes	DSG Receivable for 2023/24	Central Expenditure £000	Individual Schools Budget £000	Total £000
A	Final DSG for 2023/24 before academy and high needs recoupment			288,412
B	Academy and high needs figure recouped for 2023/24			(151,223)
C	Total DSG after academy and high needs recoupment for 2023/24			137,189
D	Plus: Brought forward from 2022/23			0
E	Agreed initial budgeted distribution in 2023/24	33,107	104,082	137,189
F	In-year adjustments	371	(223)	148
G	Final budget distribution for 2023/24	33,478	103,859	137,337
H	Less: Actual central expenditure	(43,698)		(43,698)
I	Less: Actual ISB deployed to schools		(105,481)	(105,481)
J	In-year carry-forward to 2023/24	(10,220)	(1,622)	(11,842)
K	DSG unusable reserve at the end of 2022/23			(10,799)
L	Addition to DSG unusable reserve at the end of 2023/24			(11,842)
M	Total of DSG unusable reserve at the end of 2023/24			(22,641)
N	Net DSG position at the end of 2023/24			(22,641)

A Final DSG figure before any amount has been recouped from the Council as published March 2025.

B Figure recouped from the Council in 2024/25 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 for 2024/25, as published March 2025.

D Figure brought forward from 2023/24.

E Budgeted distribution of DSG, adjusted for carry-forward, as agreed with the Schools Forum.

F Changes to the initial distribution, for example, adjustments for exclusions, NNDR payments or the final early years block adjustment for 2023/24 made during 2024/25 based on January 2024 numbers.

G Budgeted distribution of DSG as at the end of the financial year.

H Actual amount of central expenditure items in 2024/25.

I Amount of ISB distributed to schools.

J Carry-forward to 2025/26 already agreed.

K DSG unusable reserve at the end of 2023/24.

L Any addition to DSG unusable reserve in 2024/25 because of an in-year deficit in 2024/25.

M Total of DSG unusable reserve at the end of 2024/25.

N Net DSG position at the end of 2024/25.

33. GRANT INCOME

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

Credited to taxation and non-specific grant income and expenditure

2023/24 £000		2024/25 £000
(12,179)	NDR Section 31 Grant	(22,650)
(5,085)	New Homes Bonus Grant	(3,724)
(71)	Council Tax Annex Grant	(71)
(253)	Revenue Support Grant	(54)
(258)	3 to 2 tier programme	(14,756)
(26,227)	Housing Infrastructure Fund – Biggleswade	(12,753)
(5,980)	New School Places Programme	(9,709)
(12,581)	Houghton Regis Community Wellbeing Hub	(6,406)
(1,827)	High Needs Provision	(5,794)
(4,344)	HRA Capital Grant	(5,174)
0	Woodside Link	(5,000)
(2,325)	Section 106 developer contributions	(4,318)
(5,102)	Schools Capital Maintenance	(2,435)
(3,779)	Highways Structural Maintenance	(1,984)
0	Leighton Buzzard Leisure Centre	(1,977)
(909)	Highways Integrated schemes	(1,862)
(1,072)	Disabled Facilities Grant	(1,614)
(344)	Network North Fund	(1,060)
(144)	Highways Flooding & Drainage	(1,058)
(2,346)	Local Broadband Infrastructure	(962)
(1,497)	Resilient Network Investment	(341)
(5,208)	Safety Measures to Clophill Roundabout	(34)
(7,354)	Others (individually less than £1M)	(8,049)
(98,885)	Total	(111,785)

Credited to services

2023/24		2024/25
£000		£000
(135,925)	Dedicated Schools Grant	(157,899)
(41,392)	Housing Benefit Subsidy Grant	(40,436)
(11,046)	Social Care Support Grant	(14,770)
(13,548)	Public Health Grant	(14,326)
(11,174)	Better Care Fund Grant	(11,505)
(5,201)	Asylum Seeker Grant	(4,465)
(3,766)	Pupil Premium Grant	(3,899)
(2,321)	Mainstream Schools Additional Grant	0
0	Market Sustainability and Fair Cost of Care Grant	(3,788)
(2,966)	Household Support Fund Grant	(2,967)
(2,577)	Universal Infant Free School Meals	(2,568)
0	ESFA Teachers' Pension Grant	(2,398)
0	Core Schools Budget	(2,259)
0	UK Shared Prosperity Fund Programme	(1,917)
(1,886)	Private Finance Initiative (PFI) Grant	(1,886)
(1,767)	Adult & Community Learning Grant	(1,772)
0	ESFA Teachers' Pay Grant	(1,761)
0	Afghan Assistance Programme	(1,552)
(1,455)	Homelessness Grants	(1,544)
(2,045)	Homes for Ukraine	(1,520)
(1,067)	Primary PE & Sports Premium	(1,019)
(1,018)	Early Years Support Grant	(257)
(13,870)	Others (individually less than £1M)	(19,496)
(253,024)	Total	(294,004)

The Council has received several grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the giver. The balances at the year-end are as follows:

Long-term liabilities

Grants receipts in advance (capital grants and contributions)

31 March 2024 £000		31 March 2025 £000
(115,595)	Section 106 developer contributions	(106,154)
(28,702)	M1-A6 link, North of Luton	(28,714)
(26,456)	New School Places Programme	(15,949)
(14,037)	High Needs Provision	(9,945)
(7,901)	Better Care Fund	(8,204)
(1,143)	Structural Maintenance Block	(3,631)
(71)	3 to 2 tier programme	(1,738)
(1,114)	Two-year-old entitlement grant	(1,114)
(801)	Schools Devolved Formula Capital	(671)
(4,848)	Houghton Regis Community Wellbeing Hub	0
(5,799)	Others (individually less than £1M)	(2,509)
(206,467)	Total	(178,629)

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 significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides significant funding in the form of grants as shown in Note 33 and prescribes the terms of many of the transactions that the Council has with other parties.

Members:

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in Note 29.

Several Councillors are school governors and are appointed Town and Parish Council Members, although they do not control or significantly influence any of these public bodies given the nature of governance arrangements in place.

A list of Councillor and Officer relationships with companies / organisations that have had material financial transactions in 2024/25 with the Council is provided below. Contracts were entered into in full compliance with the Council's standing orders. Material financial transactions for this purpose are defined as those over £1.0M. If, however, the transactions are below £1.0M but significant in relation to the total income and expenditure of the Related Party, they have been included within this disclosure.

Councillor	Organisation	Relationship	2024/25 Expenditure by the Council £'000
S. Watkins & M. Smith	Care is Central Limited	Director	3,055
S. Watkins & M. Smith	Care is Central Residential Limited	Director	63
P. Crawley	NOAH Enterprise	Manager	265
Officer	Organisation	Relationship	2024/25 Expenditure by the Council £'000
A. Sharp & L. Carver	Care is Central Limited	Director	3,055
A. Sharp & L. Carver	Care is Central Residential Limited	Director	63
M. Coiffait	Pathfinder Legal Services Ltd	Non-Executive Director	3,152

Other Public Bodies:

The Council hosts a partnership arrangement with the NHS Bedfordshire, Luton, and Milton Keynes Integrated Care Board (ICB) in respect of the Better Care Fund (BCF). Established in April 2015, it provides funds to local areas to support the integration of health and social care. The agreement has established a Partnership Board with joint membership from each organisation. The Partnership Board determines which schemes are funded in the locality. Each partner then manages the contracts with their own providers of BCF services and each partner retains any financial risk relating to those contracts.

The Council also hosts a pooled budget arrangement with the NHS Bedfordshire, Luton, and Milton Keynes Integrated Care Board (ICB) and Bedford Borough Council for the provision of Community Equipment Services.

Further details of these two partnership and pooled budget arrangements are included in Note 28.

Pension Fund:

The Council participates in the Local Government Pension Scheme (LGPS), administered locally by Bedford Borough Council. Details of payments made to the Bedfordshire Pension Fund for employer's superannuation contributions are shown in Note 40.

Entities Controlled or Significantly Influenced by the Council:

The Council holds a 50% ownership of Pathfinder Legal Services Ltd which is a Local Authorities Trading Company (LATC). Jointly owned with Cambridgeshire County Council, the company's main objective is to provide legal services to the public sector.

During 2024/25 the Council made payments of £3.152M to Pathfinder Legal Services Ltd (£2.537M in 2023/24) for legal services received in the year.

The Council has considered that group accounts are not required for Pathfinder Legal Services Ltd, as the net worth of Pathfinder Legal Services Ltd and exposure to risk is not material. The annual Statement of Accounts for Pathfinder Legal Services Ltd are published separately and filed at Companies House.

The Council incorporated three wholly owned limited companies in June 2020: New Vista Homes Ltd (a housing development company), Care is Central Ltd (a care services company), and The Central Bedfordshire Group Ltd (the overarching holding company). The Council incorporated another wholly owned limited company in October 2023: Care is Central Residential Ltd (a care services company to operate the Council's newly built residential care homes for the elderly). Each company is overseen by a Board which is comprised of Councillors, Officers, independent Directors as well as an independent Chair.

As of 31 March 2025, the Council had provided £2.1M, £1.3M and £0.4M loan finance to New Vista Homes Ltd, Care is Central Ltd and Care is Central Residential Ltd respectively on a variable interest rate based on the Bank of England's prevailing Base Rate plus 2.0%, i.e., 6.5% as of 31 March 2025, due to be repaid by 31 March 2029. This loan finance has been made available to the respective companies to enable them to cover their net operational expenditure while they become established. In addition, New Vista Homes Ltd has been provided £5.0M loan finance in respect of a residential development site in Haynes at a fixed interest rate of 6.1%.

The Council's Capital Programme includes investment in the companies in the form of equity shareholding and loan capital. As of 31 March 2025, the Council had invested £1.2M equity into New Vista Homes Ltd.

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 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 Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed as follows:

2023/24 £000		2024/25 £000
731,990	Opening capital financing requirement	857,395
0	Adjustment to opening capital financing requirement	1,176
731,990	Adjusted opening capital financing requirement	858,571
	Capital investment:	
156,041	Property, plant, and equipment	113,468
1,887	Intangible assets	1,828
1,000	Capital investment	4,000
71,964	Revenue expenditure funded from capital under statute	74,718
230,892	Total capital spending	194,014
	Sources of finance:	
(12,788)	Capital receipts	(13,121)
(81,297)	Government grants and other contributions	(85,301)
(7,367)	Major Repairs Reserve	(7,354)
	Sums set aside from revenue:	
(1,249)	Direct revenue contributions	(882)
(2,787)	Minimum revenue provision	(4,035)
(105,488)	Total sources of finance	(110,693)
857,395	Closing capital financing requirement	941,892

Explanation of movements in year

2023/24 £000		2024/25 £000
125,405	Increase in underlying need to borrow (unsupported by government financial assistance)	84,497
125,405	Increase/(decrease) in capital financing requirement	84,497

36. LEASES

Council as lessee

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. All are individually immaterial.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the Council:

	Land and buildings £000	Vehicles, plant and equipment £000	Total £000
Balance as of 1 April 2024	10,382	1,025	11,407
Additions	54	279	333
Revaluations	(2,293)	0	(2,293)
Depreciation and amortisation	(179)	(382)	(561)
Balance as of 31 March 2025	7,964	922	8,886

Transactions under leases

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

	2023/24 £000	2024/25 £000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	N/A	58
Expense relating to short-term leases	N/A	176
Expense relating to exempt leases of low-value items	N/A	110
Income from subletting right-of-use assets	N/A	(92)
Cash flow statement		
Minimum lease payments	231	790

Maturity analysis of lease liabilities

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

	31 March 2024 £000	31 March 2025 £000
Less than one year	231	790
One to five years	815	1,364
More than five years	3,160	3,088
Total undiscounted liabilities	4,206	5,242

Council as lessor

The Council leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses
- for agricultural purposes.

Most are individually immaterial; material financial transactions for this purpose are defined as those with a value of more than £1.0M. The Council as lessor has five material property lease contracts as follows:

- the lease for Grove View Health Hub commenced in March 2023 for a term of 25 years. The value of the asset as of 31 March 2025 was £28.667M
- the lease for Waterbourne Walk commenced in February 2017 for a term of 80 years. The value of the asset as of 31 March 2025 was £17.030M
- the lease for Incuba car park commenced in November 2013 for a term of 125 years. The value of the asset as of 31 March 2025 was £1.300M
- the lease for Unit 5A, Stratton Business Park industrial unit commenced in April 2020 for a term of 15 years. The value of the asset as of 31 March 2025 was £4.679M
- the lease for Ivel Medical Centre commenced in January 2016 for a term of 20 years. The value of the asset as of 31 March 2025 was £2.494M.

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

	Operating leases	
	31 March 2024	31 March 2025
	£000	£000
Less than one year	2,882	2,997
One to five years	9,795	10,085
More than five years	43,256	41,651
Total undiscounted receivables	55,933	54,733

Disclosures required on transition

The Council has implemented IFRS 16 Leases with effect from 1 April 2024. This change of accounting policy means that where the Council is the lessee, the leased asset is recognised in the balance sheet as a right-of-use asset with a corresponding liability at the date from which the leased asset is available for use. For peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Short-term leases of less than 12 months to expiry and low-value leases of less than £10K have been excluded in accordance with the IFRS 16 exemption rules.

A 5.0% discount rate has been applied to bring operating leases on the Council's balance sheet. This is based on the Council's average incremental borrowing rate with reference to the Public Works Loan Board (PWLB) annuity rate as of 1 April 2024.

37. SERVICE CONCESSION ARRANGEMENTS

2024/25 was the 19th year of a 30-year PFI contract with Bedford Education Partnership Ltd for the provision of new buildings, the refurbishment of existing buildings and associated facilities management at two schools (Samuel Whitbread Academy and Harlington Upper School) which have both since converted to Academy status. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards. The contractor took on the obligation to construct new buildings, refurbish existing buildings and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment needed to operate the schools. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the Academies for nil consideration. The Council only has rights to terminate the contract if it compensates the contractor in full for costs incurred and future profits that would have been generated over the remaining term.

Property, Plant, and Equipment:

The assets used to provide services at the schools are not recognised on the Council's Balance Sheet, given that the schools have converted to Academy status and the assets were written out of the Council's asset register at the point of transfer.

Payments:

The Council makes an agreed payment each year to Bedford Education Partnership Ltd which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but which is otherwise fixed until the contract expires on 31 December 2035. Payments remaining to be made under the PFI contract as of 31 March 2025 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Payment for services	Reimbursement of capital expenditure	Interest	Total
	£000	£000	£000	£000
Payable within one year	1,679	781	1,387	3,847
Payable within two to five years	6,778	3,738	5,125	15,641
Payable within six to ten years	7,807	7,156	5,712	20,675
Payable within eleven to fifteen years	883	706	3,097	4,686
Total	17,147	12,381	15,321	44,849

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable while the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

Movement in PFI Liabilities

	31 March 2024	31 March 2025
	£000	£000
Balance outstanding at start of year	(13,737)	(12,949)
Payments during the year	788	568
Balance outstanding at year-end	(12,949)	(12,381)

38. TERMINATION BENEFITS

The Council terminated the contracts of 26 employees in 2024/25, incurring direct redundancy costs of £478K (9 employees and £219K in 2023/24) - see Note 30 for the number of exit packages and total cost per band. These costs have been incurred as part of the Council's drive to reduce operating costs:

- £184K paid to 5 officers in Social Care, Health & Housing
- £118K paid to 4 officers in Resources and Organisational Change
- £85K paid to 14 officers in Schools
- £64K paid to 2 officers in Children's Services
- £27K paid to 1 officer in Finance.

39. PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE). 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 a multi-employer defined benefit scheme. The Scheme is unfunded and the DfE uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The Scheme has 12,648 participating employers and consequently the Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the Teachers' Pensions Scheme, the Council's own contributions of around £11.6M equate to approximately 0.2% of total £7.0BN employers' contributions to Teachers' Pensions.

In 2024/25, the Council paid £11.577M to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.68% of pensionable pay. The comparative figures for 2023/24 were £9.064M and 23.68% respectively. There were no contributions remaining payable at the year-end. The Council contributions due to be paid in the next financial year are estimated to be around £12.0M. As Teachers' Pensions is an unfunded scheme, any deficit is underwritten by the Exchequer and should therefore not affect the amount of future contributions.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 40.

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

Public Health Staff

Under the new arrangements for Public Health, staff performing public health functions were compulsorily transferred to the Council on 1 April 2013 on the abolition of the Primary Care Trusts (PCTs) nationally. The transferred staff retained access to the NHS Pension Scheme. The Scheme provides specified benefits upon retirement towards which the Council makes contributions based on a percentage of members' pensionable salaries. The Scheme is administered by the Department of Health and Social Care (DHSC).

The Scheme is a multi-employer defined benefit scheme. The Scheme is unfunded and the DHSC uses a notional fund as the basis for setting employer contribution rates. Valuations of the fund are undertaken every four years.

The Scheme has 1.869M active members employed in a wide variety of organisations. The Council is unable to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. As a proportion of the total contributions into the NHS Pension Scheme, the Council's own contributions of around £21K equate to approximately 0.0001% of total £13.7BN employers' contributions to the NHS Pension Scheme.

In 2024/25, the Council paid £15K to the NHS Pension Scheme in respect of public health staff retirement benefits, representing 16.88% of pensionable pay. The comparative figures for 2023/24 were £20K and 16.88% respectively. There were no contributions remaining payable at the year-end. The Council contributions due to be paid in the next financial year are estimated to be around £16K. As the NHS Pension Scheme is an unfunded scheme, any deficit is underwritten by the Exchequer and should therefore not affect the amount of future contributions.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the NHS Pension Scheme. These costs are accounted for on a defined benefit basis and detailed in Note 40.

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

40. DEFINED BENEFIT PENSION SCHEME

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 make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- the Local Government Pension Scheme (LGPS), administered locally by Bedford Borough Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- 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 are no investment assets built up to meet these pension liabilities, and cash must be generated to meet actual pension payments as they eventually fall due.

The Bedfordshire Pension Fund is operated under the regulatory framework for the LGPS, 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. The investment managers of the fund are appointed by the committee and consist of the Chief Finance Officer of Bedford Borough Council and the appointed Investment Fund managers.

An actuarial valuation is carried out every three years to assess the difference between the fund's projected assets and liabilities and the amount employers will have to contribute for the next three years. The valuation on 31 March 2022 set the employer's pension contribution rates for 2023/24, 2024/25 and 2025/26.

In the valuation carried out as of 31 March 2022 the funding level increased from 74% to 84%. As a result, the employer's rate is expected to remain unchanged until 2026/27. In 2024/25, the Council made normal employer's contributions totalling £36.3M (£35.2M in 2023/24).

The Council is also responsible for all pension payments relating to benefits that have been awarded for added years, together with related increases. In 2024/25, these came to £1.3M (£1.2M in 2023/24).

The estimated employer's contribution for the period to 31 March 2026 is £36.6M.

The principal risks to the Council 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 to the General Fund and Housing Revenue Account the amounts required by statute as described in the Accounting Policies Note 1.

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 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 that is required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance and Housing Revenue Account via the Movement in Reserves Statement during the year.

2023/24	2024/25
LGPS	LGPS
£000	£000
Comprehensive Income and Expenditure Statement	
Cost of Services	
Service cost comprising:	
22,117 Current service cost	20,870
8 (Gain) / loss from curtailments	112
(282) (Gain) / loss from settlements and / or transfers	(272)
896 Administration expenses	864
Financing and Investment Income and Expenditure:	
5,778 Net interest expense	47
28,517	21,621
Total post-employment benefits charged to the Surplus and Deficit on the Provision of Services	

Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement

	Re-measurement of the net defined benefit liability comprising:	
(66,355)	Return on plan assets (excluding the amount included in the net interest expense)	424
	0 Other actuarial (gains) / losses on assets	21,196
(21,160)	Actuarial (gains) / losses arising on changes in financial assumptions	(111,515)
(9,704)	Actuarial (gains) / losses arising on changes in demographic assumptions	(2,117)
3,125	Experience (gains) / losses on defined benefit obligation	(2,938)
	0 Changes in impact of asset ceiling	* 170,766
(94,094)	Total post-employment benefits charged to Other Comprehensive Income and Expenditure Statement	75,816
(65,577)	Total charged to the Comprehensive Income and Expenditure Statement	97,437

* The International Financial Reporting Interpretations Committee (IFRIC) is responsible for interpreting the international financial reporting standards (IFRS) to promote consistency in financial reporting. In November 2023, CIPFA published its Bulletin 15 – reporting of pensions surpluses and IFRIC 14. This is because a significant number of local authorities have moved from a net defined benefit liability to a net defined benefit asset position and need to consider whether there is an asset ceiling that would limit their ability to recognise the asset. An asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. Under IFRS, local authorities should also consider the requirements of IFRIC 14 in relation to minimum funding requirements.

As at 31 March 2025, the results show a net defined benefit asset position before considering IFRIC 14. There is no potential economic benefit available in the form of a refund as the rules of LGPS do not give an employer any inherent right to a refund from the Scheme. The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £64.632M, the initial impact of the asset ceiling is £64.632M which capped the recognisable surplus to nil. As at 31 March 2025, the Council is also committed to annual secondary contributions of £8.150M plus 8.9% of Schools' pensionable payroll under the latest Rates and Adjustments Certificate from the 31 March 2022 triennial valuation. These secondary contribution rates have been confirmed in the Rates and Adjustments certificate up until 31 March 2026, based on the calculation as at 31 March 2022 that they will continue to be paid over a remaining funding horizon of 11 years. This schedule will be updated following the 31 March 2025 triennial valuation (effective from 1 April 2026), both confirming a new 3-year rates and adjustments certificate, and confirming any future funding horizon to be used. As

this funding valuation is not yet confirmed, the current commitment remains that under the 2022 funding agreement – which gives a present value of secondary contributions of £106.134M as at 31 March 2025. There is therefore a further IFRIC 14 adjustment to bring the final restricted net defined benefit liability on the balance sheet for 2024/25 to £116.726M (made up of the minimum funding obligation of £106.134M for LGPS and unfunded liabilities of £10.592M).

This minimum funding requirement was not considered in the previous year and if the Council had determined their minimum funding requirement as at 31 March 2024, this would have resulted in an additional liability of £66.899M that should have been recognized at 31 March 2024, which would have increased the net liability arising from the defined benefit obligation from £56.914M to £123.813M (made up of a net defined benefit obligation of £111.818M for LGPS and unfunded liabilities of £11.995M), with a corresponding loss recognised in other comprehensive income in 2023/24 and an increase in the Pensions Reserve debit balance. As the Council does not consider the effect on the prior period financial statements to be material, this has been reflected in the current period and is included in the £170.766M change in impact of asset ceiling reported in 2024/25.

Movement in Reserves Statement

(28,517) Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits	(21,621)
Actual amount charged against the General Fund balance for pensions in the year:	
36,435 Employers' contributions payable to scheme	37,625
7,918 Pension Cost transferred to (or from) the Pensions Reserve	16,004

Pension assets and liabilities recognised in the Balance Sheet

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

2023/24*	2024/25
LGPS	LGPS
£000	£000
(847,734) Present value of the defined benefit obligation	(768,297)
802,815 Fair value of plan assets	832,929
(44,919) Deficit / (Surplus)	(64,632)
0 Impact of asset ceiling	(170,766)
11,995 Present value of unfunded obligation	10,592
(56,914) Net liability arising from the defined benefit obligation	(116,726)

* The values for 2023/24 have been restated following a change in the presentation of this note to show the funded and unfunded balance. There is no change to the bottom line.

Reconciliation of the movements in the fair value of scheme (plan) assets:

2023/24	2024/25
LGPS	LGPS
£000	£000
689,813 Opening fair value of scheme assets	802,815
34,066 Interest income	42,513
Re-measurement gain / (loss):	
66,355 The return on plan assets, excluding the amount included in the net interest expense	(424)
0 Other actuarial (gains) / losses	(21,196)
36,435 Contributions from employer	37,625
8,542 Contributions from employees into the scheme	8,780
(33,000) Benefits / transfers paid	(35,966)
(896) Administration expenses	(864)
1,500 Assets Extinguished on Settlement	(354)
802,815 Closing fair value of scheme assets	832,929

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

2023/24	2024/25
LGPS	LGPS
£000	£000
(848,739) Opening balance on 1 April	(859,729)
(22,117) Current service cost	(20,870)
(39,844) Interest cost	(42,560)
(8,542) Contributions from scheme participants	(8,780)
Re-measurement gains and (losses):	
9,704 Actuarial gains / (losses) from changes in demographic assumptions	2,117
21,160 Actuarial gains / (losses) from changes in financial assumptions	111,515
(3,125) Experience (gains) and losses on defined benefit obligation	2,938
(8) Gains / (losses) on curtailments	(112)
33,000 Benefits / transfers paid	35,966
(1,218) Liabilities extinguished on settlements	626
(859,729) Closing balance on 31 March	(778,889)

Local Government Pension Scheme assets comprised:

Fair value of scheme assets

2023/24			2024/25		
Quoted	Unquoted	Total	Quoted	Unquoted	Total
£000	£000	£000	£000	£000	£000
0	50,632	50,632	0	27,380	27,380
40,141	105,694	145,835	41,646	115,655	157,301
0	114,646	114,646	0	134,328	134,328
32,113	459,589	491,702	33,317	480,603	513,920
72,253	730,562	802,815	74,963	757,966	832,929

Basis for estimating assets and liabilities:

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Barnett Waddingham, an independent firm of actuaries, estimates for the Bedfordshire Pension Fund being based on the latest full valuation of the scheme as of 31 March 2022.

The significant assumptions used by the actuary have been:

2023/24	LGPS	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners		
21.1	Men	21.1
23.9	Women	24.0
Longevity at 65 for future pensioners		
22.2	Men	22.2
25.5	Women	25.5
Other assumptions		
4.95%	Rate for discounting scheme liabilities	5.85%
2.85%	Rate of increase in pensions (CPI)	2.95%
3.15%	Rate of inflation (RPI)	3.20%
3.85%	Rate of increase in salaries	3.95%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact of assumptions on the defined benefit obligation:

Assumption	LGPS	Increase in assumption £000	Decrease in assumption £000
Longevity (increase or decrease in 1 year)			
		28,028	(26,902)
Rate of increase in salaries (increase or decrease by 1%)			
		6,664	(6,408)
Rate of increase in pensions (increase or decrease by 1%)			
		132,384	(116,576)
Rate for discounting scheme liabilities (increase or decrease by 1%)			
		(119,276)	135,684

Impact on the Council's cash flows:

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council plans to pay £36.626M expected contributions to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 17 years as of 31 March 2025 (19 years as of 31 March 2024).

The McCloud and Sargeant judgements

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an ‘underpin’ which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme. Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. An allowance was made for the potential impact of the McCloud and Sargeant judgements in the results provided to the Employer at the last accounting date and therefore is already included in the starting position for this report. This allowance is therefore incorporated in the roll forward approach and is remeasured at the accounting date along with the normal LGPS liabilities.

Guaranteed Minimum Pension (GMP) equalisation and indexation

Guaranteed minimum pension (GMP) equalisation and indexation was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However, overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men’s and women’s benefits. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers. On 23 March 2021, the Government published the outcome to its GMP Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing ‘interim solution’ that has applied to members with a GMP reaching SPA on or after 6 April 2016. The

estimated impact of GMP indexation is not considered to have a material impact on the financial statements and so no adjustments have been made.

The latest news on the Lloyds Banking Group High Court case involved a ruling that, in cases where a member exercised their right to a transfer value out of the scheme, the trustee had the duty to make a transfer payment that reflects the member's right to equalised benefits and remains liable if an inadequate transfer payment has been paid.

It is the Actuary's understanding that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

Virgin Media case

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. Bedford Borough Council, the administering authority, are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the Bedfordshire Pension Fund. As a result, the Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

41. CONTINGENT ASSETS AND LIABILITIES

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 of uncertain future events not wholly within the Council's control. 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.

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 of uncertain future events not wholly within the Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

As of 31 March 2025, the Council had no known material contingent assets or liabilities.

42. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

- credit risk – the possibility that the counterparty to a financial asset might fail to meet its contractual obligations, causing a loss to the Council.
- liquidity risk – the possibility that the Council might not have the cash available to make its contracted payments on time.
- market risk – the possibility that an unplanned financial loss might arise for the Council because of changes in market variables such as interest rates or equity price movements.

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 Resources Directorate's treasury team, under policies approved by the Council 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 exposure 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, which will be the lowest published long-term credit rating assigned by the international rating agencies of Moody's, Standards & Poor's, and Fitch – a minimum long-term rating of BBB+ (or Moody's equivalent of Baa1) for UK counterparties: AA+ (or Moody's equivalent of Aa1) for non-UK sovereigns. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as 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 non-recovery applies to all the Council's deposits, but there was no evidence at the 31 March 2025 that this risk was likely to crystallise.

The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Customers for goods and services are assessed, considering their financial position, prior 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 has a total of £25.159M customer balances which have been invoiced at year end. This is analysed in the table 'Credit Risk - Debtors' shown below.

The Council's experience of customer debtor balance write-offs equated to 0.8% of the year-end total in 2024/25, which compares to 1.2% in 2023/24.

Credit Risk - Debtors	31 March 2024	31 March 2025
	£000	£000
Less than three months	10,343	9,687
Three to six months	1,479	1,411
Six months to one year	3,106	3,819
More than one year	7,348	10,242
	22,276	25,159

Liquidity Risk:

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, 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 maturity analysis of financial liabilities is as follows:

Liquidity Risk	31 March 2024	31 March 2025
	£000	£000
Less than one year	281,937	504,752
Between one and two years	127,860	60,782
Between two and five years	72,623	79,528
Between five and ten years	98,815	73,768
More Than 10 years	332,685	303,640
	913,920	1,022,470

All trade payables are due to be paid in less than one year.

Market Risk:

Interest Rate Risk

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

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

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

The Council has several strategies for managing interest rate risk. For 2024/25, the Council's Treasury Management Strategy increased the upper limit for variable rate exposure to 70% (up from 50% in 2023/24) given the Council's increasing level of borrowing. Given a falling interest rate environment, the prospect of lower interest rates in future meant that the Council did not take any long-term fixed rate borrowing from the Public Works Loan Board (PWLB) in 2024/25. It should be noted that as of 31 March 2025, 59% of the Council's external borrowing of £759.5M was on long-term fixed interest rate deals, averaging 2.9%, with an average loan duration of 18 years. To reduce its risk exposure to adverse interest rate movements, the Council will continue to monitor long-term rates with a view to fixing a portion of its short-term variable rate borrowing if rates are favourable.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget, and which is used to update budget monitoring quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, as of 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect is outlined in the table 'Market Risk - Interest Rate Risk' shown below. The impact of a 1% fall in interest rates would be the same movement as above but in reverse for variable rated borrowing.

**Market Risk - Interest
Rate Risk**

	31 March 2025
	£000
Increase in interest payable on variable rate borrowings	3,424
Increase in interest receivable on variable rate investments	(275)
Impact on Surplus or Deficit on the Provision of Services	3,149
Share of overall impact credited to the HRA	659
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(19,747)

Price Risk

The Council holds units to the value of £5.093M in a property fund with Aviva Investors (the “Lime Fund”). The Council is consequently exposed to losses arising from movements in the price of the units. As the shareholdings in the Lime Fund have arisen in the acquisition of specific interests, the Council is not able to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for “open book” arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

The equity shareholdings are held in the Balance Sheet as ‘Long Term Investments’ and as all movements in price are unrealised until sale, when they would become realised, the impact of gains and losses are recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the price of Lime Fund units (positive or negative) would result in a £255K gain or loss being recognised in the Financial Instruments Revaluation Reserve for 2024/25 (the actual cumulative unrealised gain for the Lime Fund stood at £93K as at 31/03/2025).

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. As a result, there is no exposure to losses arising from movements in exchange rates.

43. TRUST FUNDS

The Council acts as custodian trustee for two trust funds. The funds are not assets of the Council and therefore they have not been included in the Council's Balance Sheet.

Funds for which the Council acts as custodian trustee:

2024/25

Fund	Income £000	Expenditure £000	Assets £000	Liabilities £000
LW Williams Fund	0	0	12	0
LuDun Fund	0	0	143	0
Total	0	0	155	0

2023/24

Fund	Income £000	Expenditure £000	Assets £000	Liabilities £000
LW Williams Fund	0	0	11	0
LuDun Fund	0	0	136	0
Total	0	0	147	0

SUPPLEMENTARY FINANCIAL STATEMENTS 2024/25

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2023/24 £000		2024/25 £000
	Expenditure	
11,042	Repairs and maintenance	8,911
17,858	Supervision and management	19,330
836	Rents, rates, taxes, and other charges	910
22,420	Depreciation, impairments, and revaluation losses of non-current assets	14,334
163	Debt management costs	185
27	Movement in the allowance for bad debts	132
52,346	Total expenditure	43,802
	Income	
(32,828)	Dwelling rents	(36,843)
(728)	Non-dwelling rents	(690)
(2,706)	Charges for services and facilities	(3,008)
(2,079)	Contributions towards expenditure	(2,030)
(38,341)	Total income	(42,571)
14,005	Net (income) / expenditure of HRA services as included in the whole Council Comprehensive Income and Expenditure Statement	1,231
153	HRA services' share of corporate and democratic core	151
14,158	Net (income) / expenditure for HRA services	1,382
	HRA share of the operating income and expenditure included in the whole Council Comprehensive Income and Expenditure Statement:	
(1,286)	(Gain) / loss on sale of HRA fixed assets	(1,465)
6,246	Interest payable and similar charges	8,203
250	Net interest on the defined benefit liability / (asset)	2
(4,344)	Capital grants and contributions receivable	(4,550)
15,024	(Surplus) / deficit for the year on HRA services	3,572

MOVEMENT ON THE HRA STATEMENT

2023/24 £000		2024/25 £000
(5,000)	Balance on the HRA at the end of the previous year	(5,000)
15,024	(Surplus) / deficit for the year on the HRA Income and Expenditure Statement	3,572
(9,092)	Adjustments between accounting basis and funding basis under statute	(335)
5,932	Net (increase) / decrease before transfers to / (from) reserves	3,237
(5,932)	Transfer to / (from) earmarked reserves	(3,237)
(5,000)	Balance on the HRA at the end of the current year	(5,000)

2023/24 £000	Adjustment between accounting basis and funding basis under statute	2024/25 £000
(18,076)	Transfers to / (from) the Capital Adjustment Account	(9,783)
1,286	Gain / (loss) on sale of non-current assets	1,464
331	Contributions to / (from) the Pension Reserve	630
7,367	Transfers to / (from) Major Repairs Reserve	7,354
(9,092)	Net additional amount required by statute to be debited / (credited) to the HRA Balance for the year	(335)

2023/24 £000	Transfer to / (from) reserves	2024/25 £000
145	Transfers to earmarked reserves	164
(6,077)	Transfers from earmarked reserves	(3,401)
(5,932)	Total transfers	(3,237)

NOTES TO THE HRA ACCOUNT

HRA 1 Housing Stock

The number and types of dwelling in the Council's housing stock:

Property Type	Stock at 01/04/2024	Additions	Sales	Converted / demolished	Stock at 31/03/2025
Low rise flats	1,433	11	(9)	(1)	1,434
Medium rise flats	949	1	(2)	0	948
Houses & Bungalows	3,247	45	(23)	0	3,269
Total	5,629	57	(34)	(1)	5,651

HRA 2 Balance Sheet Values of HRA Assets

The total Balance Sheet value of the land, houses, and other property within the Council's HRA is shown as follows:

31 March 2024 £000		31 March 2025 £000
617,539	Council dwellings	674,148
12,767	Other land and buildings	14,936
0	Intangible assets	347
36	Vehicles, plant, furniture, and equipment	28
34,514	Assets under construction	42,936
664,856	Total	732,395

As of 31 March 2025, the vacant possession value of the Council's dwellings is estimated at £1,412.7M. The lower Balance Sheet value of £674.1M shown above reflects its existing use as tenanted council housing at less than market rents.

HRA 3 Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The capital resources available were fully applied for these purposes as of 31 March 2025.

2023/24 £000		2024/25 £000
0	Balance as of 1 April	0
(7,367)	Depreciation and Amortisation	(7,354)
7,367	Application to finance capital expenditure	7,354
0	Balance as of 31 March	0

HRA 4 Capital Expenditure and Financing

The Council spent £39.866M on HRA capital projects in 2024/25 (£47.688M in 2023/24). This spending was financed from the following sources:

2023/24 £000		2024/25 £000
	Capital investment:	
47,688	Property, plant, and equipment	39,866
47,688	Total capital spending	39,866
	Sources of finance:	
(4,653)	Capital receipts	(5,910)
(4,344)	Government grants and other contributions	(5,174)
(7,367)	Major Repairs Reserve	(7,354)
(31,324)	Borrowing	(21,428)
(47,688)	Total sources of finance	(39,866)

HRA 5 Capital Receipts

The total receipts from the sale of HRA assets in the year were as follows:

2023/24 £000		2024/25 £000
(4,653)	Sale of council dwellings	(5,910)
(4,653)	Total	(5,910)

HRA 6 Depreciation and Impairment

Depreciation and impairment are only charged to the HRA in respect of operational assets. The charges were as follows:

Depreciation and Impairment of Non-Current Assets

2023/24			2024/25	
Depreciation £000	Impairment £000		Depreciation £000	Impairment £000
(7,253)	(14,919)	Council dwellings	(7,205)	(7,039)
(111)	(134)	Other land and buildings	(141)	59
(3)	0	Vehicles, plant, furniture, and equipment	(8)	0
(7,367)	(15,053)	Total	(7,354)	(6,980)

The £7.0M impairment on Council dwellings predominantly relates to reductions in market values over the accounting period. The £0.1M impairment gain on Other Land and Buildings relates to in-year valuation indexation gains of 1% applied to retail and office assets.

HRA 7 Rent Arrears

The amount of rent arrears and the aggregate Balance Sheet provision in respect of uncollectable debts:

	31 March 2024 £000	31 March 2025 £000
Current Tenant Arrears	748	625
Former Tenant Arrears	818	728
Gross Rent Arrears	1,566	1,353
Bad Debt Provision	(1,058)	(985)
Total rent arrears after provisions	508	368

HRA 8 The HRA share of contributions to / from the Pensions Reserve

The Council recognises the share of pension fund net assets and liabilities attributable to the HRA within appropriations in the net operating costs for the service. Appropriate adjustments are made to ensure that the sum required to be funded by housing rents is equal to the actual contributions paid to the Pension Fund in the year. The following adjustments have been made through the Movement on the HRA Statement balance in the year.

Transactions relating to retirement benefits

	31 March 2024 £000	31 March 2025 £000
964 Current Service Cost		850
250 Net interest expense		2
1,214 Total charged to Comprehensive Income and Expenditure Statement		852
(1,545) Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners		(1,482)
(331) Movement on Pension Reserve		(630)

COLLECTION FUND

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 Central Government of Council Tax and Non-Domestic Rates (NDR).

2023/24			2024/25			
Business Rates £000	Council Tax £000	Total £000	Collection Fund	Business Rates £000	Council Tax £000	Total £000
INCOME:						
	(240,696)	(240,696)	Council Tax Receivable		(256,857)	(256,857)
(107,221)		(107,221)	Business Rates Receivable	(125,726)		(125,726)
(14,741)		(14,741)	Transitional Protection Payments Receivable	(2,703)		(2,703)
(121,961)	(240,696)	(362,657)	Total amounts to be credited	(128,429)	(256,857)	(385,286)
EXPENDITURE:						
Apportionment of Previous Year (Surplus)/Deficit:						
(21,108)		(21,108)	Central Government	(17,588)		(17,588)
(20,686)	(1,784)	(22,470)	Central Bedfordshire Council	(17,236)	(2,051)	(19,287)
	(230)	(230)	Police and Crime Commissioner for Bedfordshire		(264)	(264)
(422)	(104)	(526)	Bedfordshire Fire and Rescue Service	(352)	(119)	(471)
Precepts, demands and shares:						
71,044		71,044	Central Government	69,106		69,106
69,623	186,273	255,896	Central Bedfordshire Council	67,724	198,870	266,594
	28,135	28,135	Police and Crime Commissioner for Bedfordshire		30,085	30,085
1,421	12,215	13,636	Bedfordshire Fire and Rescue Service	1,382	12,793	14,175
	15,535	15,535	Parishes		16,506	16,506

			Charges to Collection Fund:			
434	852	1,286	Increase/(decrease) in allowance for impairment	298	993	1,291
1,435		1,435	Increase/(decrease) in allowance for appeals	(1,088)		(1,088)
314		314	Charge to General Fund for allowable collection costs for non-domestic rates	319		319
			Other transfers to General Fund in accordance with non-domestic rates regulations			
3,642		3,642	Renewable Energy	3,209		3,209
105,697	240,892	346,589	Total amounts to be debited	105,773	256,813	362,586
(16,265)	195	(16,070)	(Surplus) / Deficit arising during the year	(22,656)	(44)	(22,700)
56,956	3,387	60,343	(Surplus) / Deficit b/fwd	40,691	3,582	44,273
40,691	3,582	44,273	(Surplus) / Deficit c/fwd	18,035	3,538	21,573

NOTES TO THE COLLECTION FUND

The Collection Fund is required by statute to show the transactions of the billing authority in relation to Council Tax and Non-Domestic Rates (NDR). The Collection Fund shows how the transactions have been distributed to the Council and its major preceptors: Central Government; Police and Crime Commissioner for Bedfordshire; and Bedfordshire Fire and Rescue Service. Town and Parish precepts form part of the amount due to be collected from Council Taxpayers within Central Bedfordshire.

The transactions of the Collection Fund are wholly prescribed by legislation. Billing authorities have no discretion to determine which receipts and payments are accounted for within the Fund and which are outside.

Council Tax Base

The tax base is derived by estimating the number of domestic properties in each Council Tax band, applying reliefs and exemptions, and multiplying the result by the weighting factor applicable to each tax band. After reductions, discounts and other adjustments, an estimated deduction for non-collection of 0.5% is also applied.

2024/25

Band	Valuation band limits £	Calculated number of dwellings	Ratio to band D	Equated number of dwellings
A	Up to and including - 40,000	11,077	6/9	7,385
B	40,001 - 52,000	25,277	7/9	19,660
C	52,001 - 68,000	36,098	8/9	32,087
D	68,001 - 88,000	25,942	9/9	25,942
E	88,001 - 120,000	17,418	11/9	21,289
F	120,001 - 160,000	9,937	13/9	14,353
G	160,001 - 320,000	5,607	15/9	9,345
H	More than - 320,001	401	18/9	802
			Adjustments	(17,372)
			Council Tax Base	<u>113,491</u>

2023/24

Band	Valuation band limits £	Calculated number of dwellings	Ratio to band D	Equated number of dwellings
A	Up to and including - 40,000	10,914	6/9	7,276
B	40,001 - 52,000	24,891	7/9	19,360
C	52,001 - 68,000	35,602	8/9	31,646
D	68,001 - 88,000	25,373	9/9	25,373
E	88,001 - 120,000	17,137	11/9	20,945
F	120,001 - 160,000	9,725	13/9	14,047
G	160,001 - 320,000	5,487	15/9	9,145
H	More than - 320,001	395	18/9	790
Adjustments				(16,976)
Council Tax Base				<u>111,606</u>

The amount of Council Tax required by Central Bedfordshire (excluding Town and Parish Councils, Bedfordshire Police and Fire) is arrived at by dividing the net budget requirement of the Council by the tax base, to arrive at the Band D equivalent as follows: 2024/25: £215,376,495 - £16,506,216 (Parish Precepts) = £198,870,279 / 113,491 = £1,752.30 (2023/24: £201,807,750 - £15,535,104 (Parish Precepts) = £186,272,646 / 111,606 = £1,669.02).

Council Tax reserves are split across the major preceptors based on the precept demands placed on the Collection Fund.

The Collection Fund's closing reserves balances are split by the major preceptors as follows:

	31 March 2024			31 March 2025		
	Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
Central Bedfordshire Council	19,939	3,009	22,948.	8,838	2,966	11,804
Central Government	20,346	0	20,346	9,017	0	9,017
Police & Crime Commissioner for Bedfordshire	0	398	398	0	398	398
Bedfordshire Fire & Rescue Service	407	176	583	180	174	354
Total	40,691	3,582	44,273	18,035	3,538	21,573

The Council is a billing authority and collects from local businesses an amount equal to the rateable value of their property, multiplied by a uniform rate set nationally by Central Government.

Business Rates are proportioned based on a set percentage across the major preceptors:

- 50% Central Government
- 49% Central Bedfordshire Council
- 1% Bedfordshire Fire and Rescue Service.

There is inherent volatility in the Non-Domestic Rates (NDR) yield as the tax base is based on notional property rental values.

Rate payers can appeal against a rateable value attributed to their property and they have five years in which to do so from the date of the creation of the Rating List.

It is necessary to establish a provision for the estimated loss in yield (see Note 21 - Provisions), but it is difficult to form an accurate estimate of the potential liability to the Council that will arise due to outstanding rating appeals because appeals are determined independently by the Valuation Office Agency or, in some cases, the Valuation Tribunal.

The total non-domestic rateable value as of 31 March 2025 was £307.5M (£303.7M as of 31 March 2024).

The 2024/25 rating multiplier set by Central Government was 54.6p per £ (51.2p per £ in 2023/24) and 49.9p per £ for small businesses (49.9p per £ in 2023/24).

GROUP FINANCIAL STATEMENTS 2024/25

GROUP FINANCIAL STATEMENTS

1. Introduction

The Code of Practice requires local authorities with interests in subsidiaries, associates and/or joint ventures to prepare group accounts in addition to their own single entity financial statements, unless their interest is not considered material.

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with New Vista Homes Ltd, Care Is Central Ltd, Care Is Central Residential Ltd and the Central Bedfordshire Group Ltd.

The following pages include:

Group Comprehensive Income and Expenditure Statement
Group Movement in Reserves Statement
Group Balance Sheet
Group Cash Flow Statement
Notes to the Group Accounts

These statements are set out on the following pages, together with accompanying disclosure notes.

2. Basis of Identification of the Group Boundary

In its preparation of these Group Accounts, the Council has considered its relationship with the entities that fall into the following categories:

Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group.

Associates – where the Council exercises a significant influence and has a participating interest. No entities identified to be included in the group.

Jointly Controlled Entities – where the Council exercises joint control with one or more organisations. No entities identified to be included in the group.

No Group Relationship – where the body is not a separate legal entity, or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

In accordance with this requirement, the Council has determined its Group relationships as follows:

New Vista Homes Limited (NVH)	Subsidiary	Consolidated
Care Is Central Limited (CIC)	Subsidiary	Consolidated
Care Is Central Residential Limited (CICR)	Subsidiary	Consolidated
The Central Bedfordshire Group Limited (CBG)	Subsidiary	Consolidated
Pathfinder Legal Services Limited	Subsidiary	Not material

3. New Vista Homes Limited (NVH)

New Vista Homes Limited (NVH) was incorporated on 3 June 2020. It is a housing development company and is wholly owned by Central Bedfordshire Council.

The company accounts are subject to audit by MMBA Accountants Ltd. Copies of the accounts may be obtained from Companies House or by request to the Council.

As a subsidiary, the accounts of NVH have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated in full. NVH expenditure and income, adjusted for transactions with the Council, is shown within the Social Care, Health and Housing line in the Comprehensive Income and Expenditure Statement. Balance Sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties.

NVH has prepared 2024/25 accounts using accounting policies consistent with those applied by the Council, and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

4. Care Is Central Limited (CIC)

Care Is Central Limited (CIC) is a private limited company wholly owned by Central Bedfordshire Council. It was incorporated on 3 June 2020. CIC is a care services provider company.

The company accounts are subject to audit by MMBA Accountants Ltd. Copies of the accounts may be obtained from Companies House or by request to the Council.

As a subsidiary, the accounts of CIC have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated in full. CIC expenditure and income, adjusted for transactions with the Council, is shown within the Social Care, Health and Housing line in the Comprehensive Income and Expenditure Statement. Balance sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties.

CIC has prepared 2024/25 accounts using accounting policies consistent with those applied by the Council, and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

5. Care Is Central Residential Limited (CICR)

Care Is Central Residential Limited (CICR) is a private limited company wholly owned by Central Bedfordshire Council. It was incorporated on 4 October 2023. CICR is a care services provider company.

The company accounts are subject to audit by MMBA Accountants Ltd. Copies of the accounts may be obtained from Companies House or by request to the Council.

As a subsidiary, the accounts of CICR have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated in full. CICR expenditure and income, adjusted for transactions with the Council, is shown within the Social Care, Health and Housing line in the Comprehensive Income and Expenditure Statement. Balance sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties.

CICR has prepared 2024/25 accounts using accounting policies consistent with those applied by the Council, and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

6. The Central Bedfordshire Group Limited (CBG)

The Central Bedfordshire Group Limited (CBG) is a private limited company wholly owned by Central Bedfordshire Council. It is the non-trading holding company of New Vista Homes Limited (NVH), Care Is Central Limited (CIC) and Care Is Central Residential Limited (CICR). It was incorporated on 3 June 2020. CBG is a holding company.

7. Pathfinder Legal Services Limited

The Council holds a 50% shareholding of Pathfinder Legal Services Ltd which is a Local Authorities Trading Company (LATC). Established by Cambridgeshire County Council (which holds the remaining 50% shareholding), the company's main vision is to provide high-quality legal support to the public sector.

The Council has considered that group accounts will not be required for Pathfinder Legal Services Ltd, as the net worth of Pathfinder Legal Services Ltd and its exposure to risk is not material. The annual Statement of Accounts for Pathfinder Legal Services Ltd are published separately and filed at Companies House.

The company accounts are subject to audit by Ensors Accountants LLP. Copies of the accounts may be obtained from Companies House or by request to the Council.

There are no material transactions in 2024/25 or 2023/24, therefore it is not included in the Group Accounts.

8. Basis of Consolidation

The financial statements of New Vista Homes Limited, Care Is Central Limited, Care Is Central Residential Limited, along with their holding company, The Central Bedfordshire Group Limited, have been consolidated with those of Central Bedfordshire Council on a line-by-line basis which has eliminated balances, transactions, income and expenditure between the Council and its subsidiaries.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24 Restated				2024/25			
Gross expenditure	Gross income	Net expenditure		Gross expenditure	Gross income	Net expenditure	
£000	£000	£000	Notes	£000	£000	£000	
170,625	(60,676)	109,949	Social Care, Health & Housing	177,999	(70,393)	107,606	
152,358	(54,522)	97,836	Children's Services	203,816	(74,482)	129,334	
130,462	(27,538)	102,924	Place and Communities	137,108	(38,064)	99,044	
20,418	(20,793)	(375)	Public Health	24,000	(24,015)	(15)	
60,055	(48,214)	11,841	Finance	57,416	(48,335)	9,081	
10,069	(2,246)	7,823	Monitoring Officer	11,143	(3,681)	7,462	
72,144	(13,754)	58,390	Resources & Organisational Change	55,668	(14,761)	40,907	
4,796	(9,230)	(4,434)	Corporate Costs	6,279	(4,347)	1,932	
141,029	(138,096)	2,933	Schools	144,018	(150,079)	(6,061)	
52,499	(38,341)	14,158	Landlord Business (HRA)	43,953	(42,571)	1,382	
814,455	(413,410)	401,045	Cost of Services	861,400	(470,728)	390,672	
20,123	(4,653)	15,470	Other Operating Expenditure	39,916	(5,910)	34,006	
27,717	(1,918)	25,799	Financing and Investment Income and Expenditure	30,045	(2,458)	27,587	
19,841	(360,435)	(340,594)	Taxation and Non-Specific Grant Income	22,838	(392,432)	(369,594)	
882,136	(780,416)	101,720	(Surplus) or deficit on Provision of Services	954,199	(871,528)	82,671	
		(2,708)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(51,517)	
		344	(Surplus) or deficit on revaluation of available for sale financial assets and financial instruments at fair value through other comprehensive income and expenditure			79	
		(94,094)	Remeasurement of the net defined benefit liability / (asset)			75,816	
		(96,458)	Other Comprehensive Income and Expenditure			24,378	
		5,262	Total Comprehensive Income and Expenditure			107,049	

GROUP MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve Balance	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council's Share of Subsidiaries' Reserves	Total Group Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as of 31 March 2024	(69,069)	(9,197)	0	0	(296)	(78,562)	(1,013,586)	(1,092,148)	2,103	(1,090,045)
Movement in reserves during 2024/25										
Total Comprehensive Income and Expenditure	77,917	3,572	0	0	0	81,489	24,377	105,866	1,164	107,030
Adjustments between accounting basis and funding basis under regulations	(55,869)	(335)	0	0	15	(56,189)	56,189	0	0	0
(Increase) / Decrease in 2024/25	22,048	3,237	0	0	15	25,300	80,566	105,866	1,164	107,030
Balance as of 31 March 2025	(47,021)	(5,960)	0	0	(281)	(53,262)	(933,020)	(986,282)	3,267	(983,015)

	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve Balance	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council's Share of Subsidiaries' Reserves	Total Group Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as of 31 March 2023	(120,784)	(15,129)	0	0	(296)	(136,209)	(960,451)	(1,096,660)	1,353	(1,095,307)
Movement in reserves during 2023/24										
Total Comprehensive Income and Expenditure	85,946	15,024	0	0	0	100,970	(96,458)	4,512	750	5,262
Adjustments between accounting basis and funding basis under regulations	(34,231)	(9,092)	0	0	0	(43,323)	43,323	0	0	0
(Increase) / Decrease in 2023/24	51,715	5,932	0	0	0	57,647	(53,135)	4,512	750	5,262
Balance as of 31 March 2024	(69,069)	(9,197)	0	0	(296)	(78,562)	(1,013,586)	(1,092,148)	2,103	(1,090,045)

GROUP BALANCE SHEET

31 March 2024			31 March 2025
£000	Notes		£000
1,944,711	1	Property, plant and equipment	2,019,283
11,485		Intangible assets	10,373
5,897	2	Long-term investments	5,818
11,259		Long-term debtors	6,066
1,973,352		Long-term assets	2,041,540
146		Short-term investments	164
2,816	3	Stocks	5,986
95,247	4	Short-term debtors	99,609
7,504	5	Cash and cash equivalents	17,053
0		Assets held for sale	4,247
105,713		Current assets	127,059
(196,490)		Short-term borrowing	(440,259)
(93,774)	6	Short-term creditors	(103,949)
(11,233)		Provisions	(7,817)
(301,497)		Current liabilities	(552,025)
(619)		Long-term creditors	(1,355)
(411,141)		Long-term borrowing	(325,249)
(69,296)		Other long-term liabilities	(128,327)
(206,467)		Grants receipts in advance - capital	(178,628)
(687,523)		Long-term liabilities	(633,559)
1,090,045		Net assets	983,015
(76,459)	7	Usable reserves	(49,995)
(1,013,586)	8	Unusable reserves	(933,020)
(1,090,045)		Total reserves	(983,015)

GROUP CASH FLOW STATEMENT

2023/24		2024/25
£000	Notes	£000
101,720	Net (surplus) / deficit on the provision of services	82,651
(69,693)	Adjustment to surplus or deficit on the provision of services for non-cash movements	(77,746)
110,968	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	93,379
142,997	Net cash flows from operating activities	98,284
40,127	Net cash flows from investing activities	50,159
(181,635)	Net cash flows from financing activities	(157,992)
1,489	Net (increase) or decrease in cash and cash equivalents	(9,549)
8,993	Cash and cash equivalents at the beginning of the reporting period	7,504
7,504	5 Cash and cash equivalents at the end of the reporting period	17,053

NOTES TO THE GROUP FINANCIAL STATEMENTS

Group Boundary

New Vista Homes Limited (NVH), Care Is Central Limited (CIC) along with their holding company, The Central Bedfordshire Group Ltd (CBG), were incorporated on 3 June 2020. Care Is Central Residential Limited (CICR) was subsequently incorporated on 4 October 2023. They are subsidiaries for accounting purposes and have been consolidated into the Council's Group Accounts.

Accounting Policies

NVH, CIC, CICR, and CBG have prepared 2024/25 accounts using FRS 102 and therefore there are no significant differences to the ways in which the Council accounts for things, so no adjustments are required.

There is only one addition to the stated accounting policies for the Council which needs to be included for NVH. This is the accounting policy for Stock Inventories. There is no stated policy on Stocks within the Council's accounting policies as these are immaterial for the Council. However, Stocks are material for NVH.

The accounting policy is that Stocks are valued at the lower of cost and net realisable value, after making proper allowance for obsolete and slow-moving items. The policy is consistent for both the Council and NVH.

All entities have a financial year end of 31 March. Disclosure notes have only been restated in the Group Accounts section where they are materially different from those of the Council's single entity accounts.

1. PROPERTY, PLANT AND EQUIPMENT

	Council Dwellings £000	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or valuation								
As of 1 April 2024	617,538	743,741	54,365	574,704	2,248	62,418	112,583	2,167,597
Adjustments to opening value*		2,801	1,025					3,826
Adjusted opening value	617,538	746,542	55,390	574,704	2,248	62,418	112,583	2,171,423
Additions	28,556	17,868	3,158	17,282		535	46,101	113,500
Revaluation increases/(decreases) recognised in the Revaluation Reserve	37,033	(684)			(114)	(488)		35,747
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,039)	(17,565)			(501)	261		(24,844)
Derecognition – disposals	(4,457)	(20,214)	(2,120)					(26,791)
Reclassification to AHFS						(4,247)		(4,247)
Other movements in cost or valuation	2,516	59,488				7,447	(69,451)	0
As of 31 March 2025	674,147	785,435	56,428	591,986	1,633	65,926	89,233	2,264,788
Accumulated depreciation and impairment								
As of 1 April 2024	0	(490)	(37,571)	(184,825)	0	0	0	(222,886)
Depreciation charge	(7,204)	(10,884)	(4,905)	(19,938)		(51)		(42,982)
Depreciation written out to the Revaluation Reserve	7,193	10,991				51		18,235
Derecognition – disposals	11		2,117					2,128
As of 31 March 2025	0	(383)	(40,359)	(204,763)	0	0	0	(245,505)
Net book value								
As of 31 March 2025	674,147	785,052	16,069	387,223	1,633	65,926	89,233	2,019,283
As of 31 March 2024	617,538	743,251	16,794	389,879	2,248	62,418	112,583	1,944,711

Comparative movements in 2023/24

	Council Dwellings £000	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or valuation								
As of 1 April 2023	621,699	706,649	54,771	524,219	2,171	101,889	70,256	2,081,654
Additions	20,100	16,406	2,446	24,538		6,564	85,998	156,052
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(20,669)	28,967			57	(22,747)		(14,392)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(14,919)	(8,528)			20	(1,117)		(24,544)
Derecognition – disposals	(3,380)	(3,111)	(2,852)	(48)		(21,782)		(31,173)
Other movements in cost or valuation	14,707	3,358		25,995		(389)	(43,671)	0
As of 31 March 2024	617,538	743,741	54,365	574,704	2,248	62,418	112,583	2,167,597
Accumulated depreciation and impairment								
As of 1 April 2023	0	(177)	(34,874)	(166,802)	0	0	0	(201,853)
Depreciation charge	(7,253)	(10,100)	(5,499)	(18,071)	0	(57)	0	(40,980)
Depreciation written out to the Revaluation Reserve	7,238	9,805				57		17,100
Derecognition – disposals	14	(17)	2,802	48				2,847
Other movements in depreciation	1	(1)						0
As of 31 March 2024	0	(490)	(37,571)	(184,825)	0	0	0	(222,886)
Net book value								
As of 31 March 2024	617,538	743,251	16,794	389,879	2,248	62,418	112,583	1,944,711
As of 31 March 2023	621,699	706,472	19,897	357,417	2,171	101,889	70,256	1,879,801

2. LONG-TERM INVESTMENTS

31 March 2024		31 March 2025
£000		£000
5,172	Lime Fund equity investment	5,093
250	Loan to Pathfinder Legal Services Ltd	250
475	Pathfinder Legal Services Ltd equity investment	475
5,897	Total	5,818

3. STOCKS

Stocks represent land and property acquired for development, together with work in progress on the land and property. The resultant stock and work in progress is valued at the lower of cost and net realisable value. Cost comprises the acquisition cost of the land and buildings, together with related legal, professional and development costs.

In considering the net realisable value, it is assumed that the developments will be completed and sold in the ordinary course of business and not placed on the market for immediate sale in its current state of development.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete the sale is recognised as an impairment loss in the income statement.

31 March 2024		31 March 2025
£000		£000
2,816	New Vista Homes Ltd	5,986
2,816	Total	5,986

4. SHORT-TERM DEBTORS

31 March 2024		31 March 2025
£000		£000
36,063	Trade receivables	35,228
23,070	Prepayments	17,988
36,114	Other receivable amounts	46,393
95,247	Total	99,609

5. CASH AND CASH EQUIVALENTS

31 March 2024		31 March 2025
£000		£000
(10,295)	Cash and bank balances	(1,407)
17,765	Short-term investments	18,425
34	Short-term deposits	35
7,504	Total	17,053

6. SHORT-TERM CREDITORS

31 March 2024		31 March 2025
£000		£000
(72,703)	Trade payables	(68,147)
(21,071)	Other payables	(35,802)
(93,774)	Total	(103,949)

7. USABLE RESERVES

31 March 2024 £000		31 March 2025 £000
(26,383)	General Fund Balance	(26,383)
(42,686)	Earmarked General Fund Reserves	(20,638)
(5,000)	Housing Revenue Account (HRA)	(5,000)
(4,197)	Earmarked HRA Reserves	(960)
(296)	Capital Grants Unapplied Account	(281)
1,408	New Vista Homes Ltd – Shareholders’ Funds	1,955
695	Care Is Central Ltd – Shareholders’ Funds	1,030
0	Care Is Central Residential Ltd – Shareholders’ Funds	282
(76,459)	Total	(49,995)

8. UNUSABLE RESERVES

31 March 2024 £000		31 March 2025 £000
(604,291)	Revaluation Reserve	(634,837)
(172)	Financial Instruments Revaluation Reserve	(93)
(502,084)	Capital Adjustment Account	(468,756)
56,914	Pension Reserve	116,726
(16,883)	Deferred Capital Receipts Reserve	(11,852)
25,789	Collection Fund Adjustment Account	19,839
4,500	Accumulated Absences Account	4,900
22,641	Dedicated Schools Grant Adjustment Account	41,053
(1,013,586)	Total	(933,020)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL BEDFORDSHIRE COUNCIL

REPORT ON THE AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Central Bedfordshire Council ("the Council") for the year ended 31 March 2025 which comprise the Group and Council Comprehensive Income and Expenditure Statements, Group and Council Balance Sheets, Group and Council Movement in Reserves Statements, Group and Council Cash Flow Statements, Collection Fund, Housing Revenue Account and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and the Council as at 31 March 2025 and of the Group's and the Council's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Director of Finance has prepared the financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Group and the Council's services or dissolve the Group and the Council without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Director of Finance's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the Council over the going concern period.

Our conclusions based on this work:

- we consider that the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Director of Finance's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Council's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Council will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit and inspection of policy documentation] as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of financial pressures in order to be able to set a balanced budget for future periods.
- Reading Council and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Group’s and the Authority’s accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible financial pressures at the Council our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to our assessment that there was limited opportunity for manipulation of revenue reported given the routine nature of the funding provided to the Group during the year and non-complex revenue recognition criteria.

We also identified a fraud risk related to the potential for inappropriate capitalisation of revenue expenditure and inappropriate classification of revenue expenditure funded by capital under statute. This is in response to the size of the Council’s capital programme and revenue expenditure funded by capital balance which provide an opportunity to inappropriately classify revenue expenditure as capital or revenue expenditure funded by capital.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for the Council based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- For a selection of expenditure classified as revenue expenditure funded by capital under statute, we assessed whether the expenditure had been appropriately classified having regard to the Local Government Act 2003

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Director of Finance and other management (as required by auditing standards), and from inspection of the Group’s and the Council’s regulatory and legal correspondence and discussed with the Director of Finance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of local government legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group and the Council are subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Director of Finance is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements.

Director of Finance's and Audit Committee's responsibilities

As explained more fully in the statement set out on page 34, the Director of Finance is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Council or dissolve the Group and the Council without the transfer of their services to another public sector entity.

The Audit Committee of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Authority had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Authority under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of the Central Bedfordshire Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



Richard Walton

for and on behalf of KPMG LLP

Chartered Accountants

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17 October 2025



Central Bedfordshire Council Annual Governance Statement 2024/25

A great place to live and work.

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Introduction

This Annual Governance Statement (“the AGS”) explains how Central Bedfordshire Council (“the Council”) has discharged its governance responsibilities for the period from 1 April 2024 to 31 March 2025 and complies with the requirements of the Accounts and Audit (England) Regulations 2015. Regulation 6(b) requires “relevant bodies” (which includes local authorities) to prepare and publish an Annual Governance Statement.

In preparing the AGS, the Council has:

- Assessed the effectiveness of the Council’s governance arrangements against the guidance and principles set out in the CIPFA/SOLACE Delivering Good Governance in Local Government framework (2016)
- Reflected on the Council’s core governance arrangements as set out in the Local Code of Corporate Governance* and considered whether those arrangements are operating effectively.
- Applied the revised guidance which CIPFA are currently consulting on (which will form an addendum to the 2016 Guidance) and will apply to Annual Governance Statements from next year, the guidance has been reviewed and reflected in the CBC Statement this year. A link to the revised guidance is provided below:
[Consultation on updated guidance on the annual review](#)
- Produced Assurance Statements from officers relating to their areas of responsibility during 2024/2025.
- Reviewed the key governance issues identified for 2023/24 and reported on the progress made in relation to those matters.
- Identified areas where improvements to the Council’s governance arrangements are required.

*The Council is committed to the principles of effective corporate governance and revised its Local Code of Corporate Governance in early 2025. This was shared with Members in advance of the May 2025 Audit Committee and is scheduled to be formally adopted by the Audit Committee in May 2025 (Appendix B).

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which an organisation is directed, controlled, led and held accountable to their communities and stakeholders. Effective corporate governance in the public sector can be summarised as:

"Achieving the intended outcomes while acting in the public interest at all times".

The Council's corporate governance framework aims to ensure that in conducting business it:

- operates in a lawful, open, inclusive and honest manner
- makes sure public money is safeguarded, properly accounted for and is used economically, efficiently and effectively to achieve agreed priorities which meet the needs of Central Bedfordshire communities
- has effective arrangements in place to manage risk
- ensure its values and ethical standards are met
- secures continuous improvements in the way it operates.

Adhering to this framework enables the Council to monitor the success of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate and cost effective services.

Both risk management and internal control measurements are a significant part of the Council's corporate governance framework and are designed to manage risk to a reasonable level. These safeguarding processes cannot eliminate all risk of failure to achieve the goals set by the Council's policies, aims and strategic objectives and can therefore only provide reasonable, rather than absolute assurances of their effectiveness.

The Annual Governance Statement is prepared in accordance with the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and The Society of Local Authority Chief Executives (SOLACE) Delivering Good

Governance in Local Government framework (2016) and the Draft Addendum covering the annual review of governance and the annual governance statement (2025).

The Council's governance framework brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes in order to adhere to the seven core principles.

The Statement reflects on the Council's core governance arrangements set out in the Local Code of



Corporate Governance and provides an overview of developments throughout the year and identifies areas for improvement.

Overview of the Governance Framework

Key elements of the council's governance framework which have been in place throughout 2024/25 are set out below:

Composition of the Council 2024/25

The Council consists of 63 Councillors who represent 31 Wards within Central Bedfordshire.

Further to the establishment of a new Independent Alliance Group in July 2024 and various changes to membership of Groups, the composition of the Council is currently as follows:

Conservative Group	20 Members
Independent Alliance Group	15 Members
The Central Bedfordshire Community Network	13 Members
Liberal Democrat Group	8 Members
Labour Group	5 Members
Non-aligned	2 Members

Councillor Adam Zerny notified the Proper Officer of his intention to stand down as Leader of the Council in July 2024. At a Council meeting on 18 July 2024, Councillor Zerny was re-elected as Leader of the Council. On 9 August 2024 the Leader announced his new Executive consisting of 5 Executive Members. There is no overall political control within the Council which is run by a minority administration formed of independent councillors from the Independent Alliance Group.

Delivering value for money, adherence to high standards of corporate governance and continuous improvement is the responsibility of Councillors and officers. Set out below is an overview of the roles and responsibilities of Councillors and specific officers.

Leader, Executive and Council

The council operates a Leader and Executive model of governance in which the Leader and Executive are responsible for all of the council's executive functions except those required by law or those functions set out in the Budget and Policy Framework which are reserved to full Council.

Decision Making

All decisions of the Council, its committees, the Executive and those taken under delegated powers are made in accordance with the Council's decision making principles which are set out in the Constitution. Decisions reserved to full Council by the Budget and Policy Framework will be made by full Council and not delegated. The Council has appointed committees to undertake specific functions in accordance with the terms of reference for each committee as set out in the Constitution. Most decisions will be Executive functions and are taken by the Executive Committee or by officers acting under specific or general delegated powers. All decisions which

come within the Council's definition of a Key Decision are listed on the Forward Plan for at least 28 days before the decision is made. The Forward Plan is published on a monthly basis. All decisions are subject to a governance process, legal requirements and provisions set out in the Constitution.

Scrutiny and Review

[Overview and Scrutiny Committees](#) exist to review and scrutinise any decision made by the Executive, Executive Members or a key decision made by an officer. The committees also have the power to consider call-ins of any Executive decisions in accordance with the rules set out in the Constitution.

The key aim of scrutiny is to:

- Provide healthy and constructive challenge
- Give voice to public concerns
- Support improvement in services
- Provide independent review.

Each year an [overview and scrutiny annual report](#) is produced showing the activities undertaken.

Audit Committee

The Council's [Audit Committee](#) plays a vital role overseeing and promoting good governance, ensuring accountability and reviewing the ways things are done.

The Audit Committee provides an assurance role to the Council by examining areas such as audit, risk management, internal control, counter fraud and financial accountability. The Committee work closely with both internal audit and senior management to continually improve the Council's governance, risk and control environment.

Statutory Officers

Head of Paid Service (the Chief Executive)

Responsible for delivery, coordination and integration of the Council's functions providing leadership and driving the strategic direction of the Council, working collaboratively with Corporate Directors. The Chief Executive is responsible for the staffing structure and appointment of all staff other than chief officers, deputy chief officers and any groups political assistants, although there are no such political assistants currently in place in Central Bedfordshire Council.

Chief Finance Officer

Responsible for oversight and delivery of the financial affairs of the Council to ensure the Council controls and manages its money well, operating within the financial control framework, financial procedure rules, the scheme of delegation and the Internal Audit function.

The Director of Finance has been appointed to undertake this role and is a member of the Council's Corporate Management Team. The Director of Finance is able to operate effectively and perform core duties - complying with the CIPFA Statement on the role of the Chief Financial Officer.

Monitoring Officer

Responsible for ensuring decisions of Central Bedfordshire Council are taken in accordance with legislation, statutory guidance, caselaw and the Council's [Constitution](#).

The Monitoring Officer is responsible for overseeing and promoting high standards of ethical conduct by Members and co-opted members of the authority.

The Monitoring Officer is responsible for maintaining the Constitution and regularly reports to Council and its Committees to provide updates on matters that come within the remit of the role and to consider changes required to the Constitution to reflect legislative changes and/or good practice.

Statutory Scrutiny Officer

Responsible for promoting the role of the Council's Scrutiny function and providing guidance and support to Scrutiny Members.

Corporate Management Team

The Corporate Management Team implements the policy and budgetary framework set by the Council and oversees and ensures compliance with the Council's governance arrangements.

The Corporate Management Team are collectively responsible for managing and leading the staff responsible for delivering high-quality services essential to improving social, economic and environmental outcomes for Central Bedfordshire residents, partners, businesses and other stakeholders.

Head of Internal Audit & Risk

The Head of Internal Audit & Risk is required to provide an independent opinion on the overall adequacy of, and effectiveness of, the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it.

The annual report has been considered in the development of the Annual Governance Statement and any significant governance issues incorporated as appropriate. The opinion of the Head of Internal Audit is included in this Annual Governance Statement (see below).

Council Managers

The Council's managers have day to day responsibility for services and are accountable for their successful delivery. They set 'the tone from the top' and develop

and implement the policies, procedures, processes and controls, ensuring compliance.

External Audit

The Council's financial statements and Annual Governance Statement are an important way for the Council to account for its stewardship of public funds.

In addition to the Council's internal finance controls, PSAA have appointed KPMG LLP as the Council's external auditors.

The external auditors, audit the Council's financial statements and provide an opinion on these. The external auditors also provide an opinion on whether the Council has an effective framework in place to deliver value for money to the people of Central Bedfordshire. In particular, they provide:

1. An audit opinion on whether the Council's financial statements give a true and fair view of the financial position as at the end of the financial year and of the income and expenditure for the year then ended.
2. Consideration as to whether the council has in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources - known as their value for money conclusion.

Review of Effectiveness

The review of effectiveness has been informed by Senior Managers with responsibility for delivering services in accordance with the Council's Policy framework, financial controls and legal requirements adhering to the principles of good governance as set out in the Constitution. It reflects the outcomes reported by Internal Audit and the annual opinion provided by the Head of Internal Audit.

Assessment of the effectiveness of governance arrangements during 24/25

The core aspects of the council's governance arrangements are detailed in relation to each of the seven principles of the CIPFA/Solace Framework in its Local Code of Governance. The annual review of the effectiveness of the Council's governance arrangements during 2024/25 demonstrates that the council has the appropriate systems and processes in place to ensure good governance is maintained and the core arrangements set out in the local Code are operating effectively.

Additional examples of good practice, emerging controls, and governance issues arising from the last twelve months are noted below:

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

The Local Code demonstrates the arrangements that are in place to promote and maintain high standards of ethical conduct for members and officers and to provide assurance that laws, regulations internal policies and procedures are complied with.

Developments arising in 24/25 include:

- A review of the Officer Code of Conduct is underway and the refreshed version is likely to be finalised early 25/26.
- Member training on the Code of Conduct took place in December 2024 and March 2025 which resulted in 70% now having undertaken recent training on the Code of Conduct.
- The Council's Arrangements for Dealing with Complaints alleging breach of the Code of conduct were reviewed and revised and adopted in April 2024. This has provided clarity in relation to the Council's procedures for dealing with Code of Conduct complaints and has provided a more streamlined approach.
- An internal audit of the Council's Declaration of Interests process was undertaken in July 2024 that identified adequate controls were in place to effectively minimise risks to the Authority. As a result of the audit, controls have been introduced to ensure that Councillors only have one record in the public register, that sensitive information is not published and that regular reminders are provided to Councillors to review and update their declarations.
- Officers have been supported with the implementation of the Procurement Act 2023 through training sessions giving both an overview of how the Act changes procurement law and what this means for day-to-day work and also more focused training for contract managers on their expanded responsibilities under the Act, including managing KPIs and Contract Performance.
- Overview and Scrutiny meetings are open to the public and meetings and agenda items are often publicised via social media. The SEND Sub-Committee has appointed a representative of the SNAP Parent/Carer Forum as a co-opted representative of the Committee and there is a co-option scheme in place within the Council. Members of the public regularly attend meetings of Full Council and Traffic Management Meetings.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- Referrals under the Council's Confidential Reporting Code have seen a slight increase throughout this year. This is kept under review by the Council's Monitoring Officer and Head of Internal Audit. Whilst any reports are adequately investigated and addressed in accordance with the Code, the Monitoring Officer and Head of Internal Audit are considering mechanisms to promote Ethical Governance, Officers Code of Conduct and the importance of considering potential conflicts of interests during 2025/26.
- Review of the Code of Procurement Governance/Contract Procedure Rules is in progress as part of the work to implement the Procurement Act 2023 and will be completed in 25/26.
- Revised Officer Code of Conduct to be adopted and work completed to ensure all staff aware of provisions and duties under the Code.
- Under the Social Housing (Regulation) Act the Competence & Conduct Standard is expected to come into force this year (2025) and requires all Registered Providers to adopt a Competence and Conduct Policy and to ensure that Housing Managers are professionally qualified. Housing will work with HR to draft this policy.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

The Local Code demonstrates the arrangements in place to ensure decisions are made in the public interest, comply with requirements in relation to openness and transparency and reflect the views of residents, service users and key stakeholders.

Developments arising in 24/25 include:

- The Council has reviewed and updated its processes around the publication of decisions to ensure that the Council is operating in a transparent way in relation to decision making and in accordance with legislative requirements. The Constitution has been amended to reflect these changes, and updated guidance has been issued to Officers with training on decision making provided. Revised Corporate templates and guidance have been introduced to support officers to comply with requirements.
- The Council's Access to Information Procedure Rules have been reviewed and revised Procedure Rules were adopted by Council in January 2025. The revised procedures now reflect up to date regulations and provide more detailed guidance in relation to the current legislative requirements for recording and publication of certain decisions.
- The Council has reflected on the way it publishes its delegated decisions online and the ease with which residents can find them and understand the process of delegated decision making. The Council's website is being updated to provide more explanation of the process of decision making and to ensure that where necessary delegated decisions are published in a clear and transparent manner.
- The Council's Scrutiny Committees along with the SEND Sub-Committee and the Police and Crime Advisory Panel provide the opportunity for a clear and detailed focus on the scrutiny of decisions and service delivery by stakeholders and members of the public.
- The Council has commenced meetings of a Town and Parish Council Forum, involving all towns and parishes in Central Bedfordshire, providing a forum for discussions on topics of local interest with senior officers and the Leader and Members of the Executive.
- The Council recognises the importance of community engagement within its decision making process and is developing a engagement strategy that enhances and aligns with the approach to statutory consultations. Key consultations in 2024/5 that led to decisions include: Medium Term Financial Plan, Schools Admissions, Library Services Strategy, Arts & Culture Strategy, Skills for All Strategy, Adult Social Care Strategy.
- Meetings of a Voluntary and Community Sector Network are also due to commence on a quarterly basis during 2025 to support the sector and work with partners to support local residents.
- The [Central Bedfordshire Safeguarding Children's Partnership](#) completed the annual report which is publicly available as is the agreed business plan and priorities.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- Part 4G of the Council's Constitution - Public Participation Rules (Petitions Scheme) require a refresh to ensure they are compliant with changes in processes, legislation and best practice and to ensure that they provide comprehensive guidance in relation to public participation in the council's decision-making bodies and overview and scrutiny.

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

The Local Code demonstrates the arrangements that are in place to monitor performance against the Council's agreed priorities to deliver sustainable services ensuring principles of best value and fair access to services are maintained.

Developments arising in 24/25 include:

- The revised Strategic Plan includes the aim to ensure that environmental, sustainability and climate resilience impact will be at the heart of all Council decision-making.
- The Central Bedfordshire Sustainability Plan, refreshed and endorsed by the Full Council on 26 September 2024, outlines a comprehensive roadmap to strive towards net zero by 2030, focusing on energy efficiency, sustainable transport, and green investment, thereby defining outcomes that deliver sustainable economic and environmental benefits.
- The revocation of the Dunstable Air Quality Management Area, a sustained reduction in Nitrogen Dioxide means that the government Air Quality Objective has been met.
- A Supported Living Framework has been introduced from April 2025 following development and a commissioning process throughout 24/25. This arrangement means that the provision sourced for local people will evidence quality and value through a robust procurement process and allow individual factors to be taken into consideration when calling off the framework. It maintains a variety of providers to use locally which helps to identify the best option for each individual person reflecting levels of complexity.
- Following a review and procurement process throughout 24/25, further funding has been invested into a new Advocacy Service which supports people with Independent Mental Health Advocacy, Independent Mental Capacity Advocacy, Care Act/General advocacy, and relevant paid representatives. The contract is a partnership with Bedford Borough Council and the ICB. It ensures local people have voice in the decisions made about them and their care. The services offers non-statutory advocacy as well as these statutory areas to help people who are not eligible for these specific types of support.
- In early 2025 CBC worked with our wholly owned company, Care is Central, to open a new residential care home in Leighton Buzzard, Marigold House. This brand new, high-quality provision for older people with needs that can't be met at home. This replaces another care home with residents moving from a dated, older provision to the new, nearby accommodation.
- In October 2024, CBC implemented a new contract for the provision of the home recovery service. This provision helps people following a stay in hospital, supporting them to get back on their feet through a short-term, enhanced homecare offer, with the aim of enabling people to return to their lives, reduce

need and reduce re-admissions.

- In April 2024, a new contract for community equipment and technology enabled care was launched, these service support people to live more independently and stay at home for longer where this is right for them.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- In 2025-26 recommissioning of carers support services and dementia support services will take place to ensure they reflect local need and best value. These will be done in partnership with Bedford Borough Council.

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

The Local Code demonstrates the arrangements that are in place for service planning supported by projects and programmes to ensure alignment to strategic objectives and consideration of budget and resource implications and adherence to principles of value for money, best value and social value. Arrangements are also in place to monitor performance against the Council's Strategic Plan.

Developments arising in 24/25 include:

- The revised Strategic Plan setting out the strategic priorities of the council and how they will be delivered was adopted in April 2024. The revised Strategic Plan sets out the seven core aims listed below:
 - Get the right homes in the right places and ensure housing growth and infrastructure are carefully considered.
 - Be ambitious in our plans towards improving and maintaining the roads and travel network.
 - Ensure that environmental, sustainability and climate resilience impact will be at the heart of all Council decision-making.
 - Create opportunities for all children and young people to reach their full potential.
 - Enable people to live active, healthy, and independent lives.
 - Enable the right care, at the right time, in the right place for those in need of support.
 - Provide the environment for economic prosperity in which existing businesses can grow and new ones will move to the area.
- Executive approved a refreshed suite of performance indicators aligned to the principles and core aims of the Strategic Plan in December 2024 and these are now being reported in quarterly monitoring reports to the relevant Scrutiny Committees and the Executive Committee.
- The implementation of the Procurement Act 2023 will increase focus on Social Value and Best Value considerations by increasing the focus and mandating that Public Sector Buyers consider the wider benefits to the community, shifting from awarding contracts based on "Most Economically Advantageous Tender" (MEAT) to "Most Advantageous Tender" (MAT), and requiring authorities to set and publish Key Performance Indicators (KPIs) for contracts over a certain value.
- During 24/25 a robust process was put in place for review of revenue and

capital in order to prepare the Medium Term Financial Plan for 25/26, this process was subject to consultation with the Council's Strategic Officers and Executive Members, as well as Overview and Scrutiny and a public consultation exercise.

- Delivery of the 24/25 MTFP has been reported to Members and the public by way of Quarterly Budget Monitoring updates covering revenue, capital and the Housing Revenue Account. These reports detail the financial performance of the organisation.

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

The Local Code demonstrates the arrangements are in place for the proper discharge of Statutory Officer functions and member and officer protocols provide clarity over roles and responsibilities and requirements in relation to induction, learning and continuous development of members and officers are provided for.

Developments arising in 24/25 include:

- The Scheme of Delegation was updated in December 2024 to reflect the changes to Directorate responsibilities arising from the Senior Management Review, improve clarity, reflect recent changes in legislation and correct anomalies and inaccuracies.
- To support changes to the Constitution and internal processes Officer Drop-in Decision-Making sessions were arranged in February 2025. These sessions were well-attended and provided a general overview of the Council's decision making processes and requirements regarding completion, approval and publication of Decision Notices.
- Regular Statutory Officer meetings have been established to provide a mechanism for the Monitoring Officer, Section 151 Officer and Head of Paid Service to review current and likely future issues that will raise political, financial, legal, staffing or other issues that may impact on their statutory duties. In addition, the Monitoring Officer now attends the Corporate Management Team meeting and reports directly to the Chief Executive.
- The Council has reformed its cross-party Member Development Forum as a mechanism for engaging Members in discussions over learning and development opportunities that would be helpful. A survey of Members received very few responses but helped the Council to focus on a small number of priority areas to enhance the Council's Member Development offer.
- The Corporate Peer Challenge has been concluded with the review visit taking place in December. The review team noted the positive response to the initial feedback, the significant progress on the agreed actions and were encouraged by the continuing development of the Council.
- The medium term financial plan led to a reshaping of the organisation, with a reduction in staffing headcount. This cannot be delivered without some impact on service delivery, which, whilst being kept to a minimum, requires a more considered approach to project prioritisation for resources to be allocated to where they will have most effect, and transparency in what work will slow or be affected by the changes. Once the proposed staffing reductions are fully implemented, the organisational change programmes will need to ensure that

there is a structured approach to projects and process reengineering embedding an holistic approach going forward.

- As part of the organisational development plan, further focus is being given to ensuring there is no unnecessary duplication, through the co-location of support functions and activities, allowing for more focused workforce development that maximises the outcomes of learning interventions.
- Supported by developing a more consistent approach to service plans and workforce plans, the Council is reviewing its project and performance management reporting, to better evidence the impact of resource investment on outcomes.
- The Council has been working with its senior management to reshape and reset expectations, which will be underpinned with a refreshed internal communications strategy and plan to ensure that the Council listens and responds to feedback from staff which has highlighted the impact of inconsistency in management standards.
- Further development of staff networks has taken place during 24/25, expanding beyond protected characteristics and into broader areas such as Carers and Menopause. These networks have helped shape CBC policy with changes in bereavement leave directly in response to their feedback.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- A regular meeting between Statutory Officers and Group Leaders would provide the opportunity to discuss and gather feedback on overarching Council matters – this will be implemented during 25/26.
- Once re-established, the Member Development Forum will provide the opportunity to prioritise specific Member development opportunities including overview and scrutiny and local leadership including the opportunity for a fresh focus on the development programme to ensure it adds value.

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

The Local Code demonstrates arrangements for internal control and assurance frameworks are maintained and subject to oversight and internal challenge by senior management, formal overview and scrutiny and review by internal audit.

Developments arising in 24/25 include:

- The Monitoring Officer reviewed the Council's decision-making processes and concluded there was a lack of clarity in relation to the Council's definition of a Key Decision detailed at Part 2, Article 12 of the Constitution. Changes were adopted by Council in January 2025 to remove ambiguity in relation to the definition of a Key Decision and improve clarity and consistency of decision-making.
- Internal controls for information management and governance have developed with the re-introduction of the Information Assurance Group (IAG). This strategic body is responsible for establishing a risk-based approach to Information Governance. It provides oversight of the Council's IG strategy in compliance with current legislation and industry and government standards.

- Cyber security is prioritised across the council with ongoing review, management and mitigation of risks managed through the corporate risk register.
- Every member of staff undertakes mandatory cyber and data protection training annually. Compliance is reviewed throughout the year and reported to the Corporate Management Team.
- Compliance with PSN CoCo, Cyber Essentials Plus and collaboration with the MHCLG on the introduction of the Cyber Assessment Framework.
- There is a review in progress to evaluate current practice against the new Global Internal Audit Standards, which includes the CIPFA Code.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- A formal review against the new arrangements introduced under the Economic Crime and Corporate Transparency Act 2023 for Failure to Prevent Fraud will be undertaken in Q1 of 25/26. We expect the basic elements to already be in place, but there is likely some refinement required - an action plan will be created to address any gaps required.
- IT Acceptable Use Policy to be refreshed and communicated to all staff and elected members early 2025/26.

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

The Local Code demonstrates the arrangements in place to ensure timely cooperation and support for the work of external audit, internal audit and other inspection and regulatory bodies. External challenge is welcomed and recommendations facilitate learning through actions for improvement which are monitored and reported to demonstrate accountability and provide assurance to residents and stakeholders.

Developments arising in 24/25 include:

- Central Bedfordshire Council (CBC) provides education and training across Bedfordshire through its Employment and Skills Academy and was subject to an [Ofsted inspection](#) in July 2024 with overall effectiveness being graded as "good".
- In March 2024 the Shareholder Representative decided that no further CBC land should be transferred to CBC development company, New Vista Homes (NVH), and that delivery of homes on the NVH owned site at Haynes should be managed using CBC staff. The Board of NVH continues to meet to exercise oversight of delivery and actively manages risks. Once the site is completed a review of the governance arrangements and purpose of the company will be undertaken.
- Further to the audit carried out by CBC Internal Audit the following documents have been produced and agreed between the Council's Wholly Owned companies' Boards and the Shareholder Representative;
 - A Compliance and Assurance Statement which sets out the suite of governance documents which, together, give the Council assurance that the companies are operating in accordance with the purposes for which

they we set up. The Statement confirms that the companies have complied with the governance requirements, the companies' business plans, have appointed auditors and maintain relevant insurance. The companies also confirmed that their registration with CQC is current, that Corporation Tax returns had been made, that audited accounts and Confirmation Statements had been filed at Companies House and that the Statutory Registers were up to date.

- A Risk Strategy which sets out and considers the risks faced by CBC's ownership of Care is Central and Care is Central Residential. The strategy considers the risks and articulates an agreed risk appetite.
- To ensure that the activities of the Wholly Owned Companies are transparent and that the Boards can be held accountable an update will be presented to the CBC Executive in June 2025, the report will enable the Executive to;
 - review the Care is Central / Care is Central Residential Business Plan 2025 – 2030,
 - receive an update on the activities of New Vista Homes
 - review the Risk Strategy
 - understand the financial position in relation to each company.

The review of the Council's governance arrangements has highlighted the following areas which require further work:

- The council's published transparency data will be reviewed and an owner assigned. This will be monitored throughout the Information Assurance Group.

External Inspections

The Council has been subject to a number of external reviews in 2024/25 as detailed below:

Ofsted

The Ofsted Inspection of Local Authorities Children's Services (ILACS) was conducted in March 2025 with the final report published on the 24th April 2025. Our services to children were judged Good overall with each of the four domains of the inspection receiving a good judgement. The report notes that the areas for development identified at previous inspections have been successfully addressed and other services positively developed with improvements in services making a tangible difference to children and families. The report identified three areas for improvement, and we will prepare and action plan to ensure these areas are addressed with and progress monitored through our Children's Leadership Performance Meeting, Corporate Management Team Meeting, Corporate Parenting Board, Children's Scrutiny and the Central Bedfordshire Safeguarding Children Partnership. The report can be accessed on the Ofsted website [50275136](#).

Housing Regulator

The Regulator of Social Housing (RSH) completed its first proactive inspection of the Council's landlord services in November 2024 and published its regulatory judgment in February 2025. This regulatory judgment was the first issued for Central Bedfordshire Council as a landlord and confirmed a consumer grading of C3 due to serious failings found in the delivery of outcomes required by the Safety and Quality Standard as well as the Transparency Influence and Accountability Standard. The judgement concluded that the outcomes were being met for both the Neighbourhood and Community Standard and the Tenancy Standard.

Significant Governance Issues

Update in relation to key governance issues identified in 2023/2024:

Peer Review – Action Plan

Following the publication of the report of the Local Government Association’s Peer Review on Central Bedfordshire Council in September 2023, an action plan was developed to address the key recommendations below:

- Agree key strategic priorities and communicate them urgently and finalise a full Council Plan.
- Develop the MTFP developed and aligned to the strategic Council Plan, with clear understanding and collective accountability from the Executive.
- Political leadership to engage with partners to support the development of the strategic priorities for the place.
- Establish and roll out a member development programme.
- Strengthen corporate governance arrangements.
- Establish working protocols between officers and members.
- Prepare the organisation and partners for medium-term financial challenges.
- Continue to reduce silo working across the council and establish collective responsibility.

The Peer Review team re-visited the Council in December 2024, to take stock of the progress made on the delivery of the action plan. Of the thirty-two actions within the action plan, twenty-two had been completed, eight were ongoing and two were off track mostly due to changes within the corporate management team and executive structures.

The team noted the positive progress on the agreed actions since their last visit. They noted the delivery of a strategic plan and the ongoing work to develop suitable measures, suggesting that more consideration is given to benchmarking performance. Additionally, they noted the changes within the senior management and political leadership have resulted in discussions around working practices and relationship building taking longer to embed, which is reflected within the action plan progress.

Furthermore, the peer team highlighted further opportunities to strengthen governance arrangements by increasing the frequency of Statutory Officer Meetings, which are meetings between the Head of Paid Service (Chief Executive), S151 and Monitoring Officer, also suggesting that these are expanded to include Head of Audit.

Review of Constitution

Various elements of the Constitution were identified for review last year and the review of effectiveness provides further relevant details of those parts of the Constitution that were reviewed and updated as summarised below:

- Part 2 Article 12 Decision Making
- Part 3E Scheme of Delegation to Directors and other Officers

- Part 4A Council Procedure Rules
- Part 4F Access to Information Procedure Rules
- Part 5B Arrangements for Dealing with Standards Allegations

The following parts of the Constitution remain outstanding for review:

- Part 3C Overview and Scrutiny Arrangements and Terms of Reference
- Part 4D Overview and Scrutiny Procedure Rules
- Part 4I Code of Financial Governance
- Part 4J Code of Procurement Governance
- Part 4G Public Participation Rules (Petitions Scheme)

It is anticipated that the Scrutiny procedures and terms of reference should be included in the overall review of the Scrutiny Function as outlined in areas of focus below.

The review of the Councils Code of Procurement Governance is in progress as part of the work to implement the Procurement Act 2023 and corresponding updates to the Code of Financial Governance will be made as part of this work.

As part of the Review of Effectiveness it has been identified that review of Part 4G Public Participation Rules (Petitions Scheme) should be an area of further work for 22025/26 – see Core Principle B above.

Social Housing (Regulation) Act 2023 – New Regulatory Regime for Social Housing

Update and further details provided below.

Key Areas of focus for the Council’s leadership in 2025/26:

The review of Governance arrangements during 2024/25 has identified the following areas which will be a focus for improvement in the coming year:

Regulator for Social Housing Inspection – Outcomes and actions

The new regulatory environment requires a transformation of Landlord Services, with a focus on accountability, assurance, and tenant involvement. This must happen whilst also applying the principle of co-regulation between the Council and the Regulator of Social Housing. This is a shared responsibility and must be embraced unreservedly. The consumer grading of C3 issued to the Councils landlord services identified serious failings in the delivery of outcomes for two of the consumer standards. The RSH has asked the Council to produce a Housing Regulatory Improvement Strategy supported by a development plan to provide assurance that significant change progress will be made. The judgement supported by self-assessment and self-audit of the Council’s Landlord Services has identified 8 workstreams which will be progressed in 2025/26;

- **Workstream One: Improved Oversight of Landlord Services** - Embed a culture of transparency and accountability by strengthening internal assurance

and governance within CBC. Ensuring tenants can access the information they need; influence decision making and hold the Council as their landlord to account.

- **Workstream Two: Quality Assurance** - Tenants to be assured that the Council work diligently to mitigate risks and improve the quality of life for tenants and improve the services they receive and the homes they live in.
- **Workstream Three: Data Integrity** - High-quality data that is timely and accurate to be available with robust assurance measures in place. Enabling evaluation and oversight of how the Housing Service is delivering their duties, functions and outcomes.
- **Workstream Four: Tenant Involvement** - Meaningful involvement with tenants, so that our tenants are empowered to take an active part in shaping the Housing services they receive. So that all Housing Services are co-produced with genuine consideration of tenant's views in the decision-making process.
- **Workstream Five: Professional Development** – 5th Consumer Standard to be introduced in 2025. Requires the Council to prioritise professional Housing development to drive the improved delivery of services. Officers to have up to date skills, knowledge and experience and to treat all tenants and prospective tenants to be treated with fairness and respect.
- **Workstream Six: Housing Customer Experience** - Evaluate the views of tenants around access to Housing Officers on a face-to-face basis, with a view to re-introduce Customer facing Housing Services with the creation of a Housing 'point of presence' in the south of Central Bedfordshire.
- **Workstream Seven: Effectiveness of Housing Repairs Service** – To ensure tenant's expectations are consistently met for repairs completed in a timely manner. Works to a tenant's home is completed to a high standard with homes left clean and tidy.
- **Workstream Eight: Housing Policies** - All relevant functions have policies in place so that services are delivered efficiently, are compliant with legislation and standards and that there are sufficient controls to hold Officers to account, evidence compliance and ensure consistency and fairness.

Work is underway across all of the workstreams as a continuation of the assurance journey started in 2024. A new integrated housing management system has been procured to manage all tenancy and asset information. This will be implemented in winter 2025. Stock condition survey and external review of asset data has been completed to gain a better understanding of the condition of our homes (circa 90% of homes have been surveyed), and a new strategy and structure for tenant engagement was approved in January and is being implemented.

Improved oversight of landlord services is proposed through the creation of a Landlord Assurance Board (LAB) which seeks to rebalance the relationship between Landlord and Tenant, ensuring that tenants are encouraged and facilitated to influence council decisions that have the potential to improve the lived experience of tenants, or to make tenants safer in their homes or local neighbourhood, or to improve the quality of services that tenants benefit from. The LAB will be made up of both

tenants and elected members and will have oversight of and receive information and reports in relation to:

- Performance, risk and regulatory compliance information, including progress updates on any improvement or remedial actions required. This shall include Improvement Plans, with the LAB having an assurance responsibility for the Housing Regulatory Development Plan (HRDP) as a strategic plan that is based on self-assessment. The HRDP is ultimately the responsibility of Executive as the route-map to full regulatory compliance with the Consumer Standards.
- Performance and benchmarking information, to support continuous service improvement. This shall include the reporting of Tenant Satisfaction Measures (TSMs) to the LAB which shall make appropriate recommendations to the Executive to drive service improvement.

The LAB will produce an annual report for consideration by the Social Care, Health and Housing Overview and Scrutiny Committee (SCHH OSC), as well as the Executive. The inaugural meeting of the LAB will be held in June 2025.

Financial Management

The council has relatively strong financial management:

- Published financial reports on financial strategy, budgeting, budget monitoring and outturn are clearly presented and coherent and provide the information members require to have oversight of the council's finances and make informed budget decisions.
- All General Fund (GF), Housing Revenue Account (HRA) and capital monitoring reports are considered by scrutiny committee before being reported to the Executive Committee.
- The council is one of few to have continually met the statutory deadline of 31st May to publish its unaudited accounts, with the expectation that the audited accounts will be available by 30th September 2025.
- KPMG, the council's external auditors, provided an unqualified opinion on the 2023/24 accounts and on the council's arrangements for securing value for money in 2023/24.

Reserves

The Council is forecasting to have General Fund Revenue Earmarked Reserves of c.£36.4M (February 2025 forecast) as at the end of March 2025. This represents 13.7% (equivalent to just seven weeks of the operational running costs of the 2024/25 net Revenue Budget).

General Fund Revenue Earmarked Reserves have reduced considerably over the past four years from figures in excess of £100M to the current forecast of £36.4M. The reserve levels of three or so years ago were heavily influenced by Covid-19 Governments grants received but not yet spent in the year of receipt). Notwithstanding that, the depletion of reserves is a concern.

However, the 2025/26 MTFP recognises the need to replenish reserves over the plan period, and the current MTFP projects the level of reserves will increase to £65.6M

(20% of the 2028/29 net revenue budget, or just over 10 weeks operational running costs).

Spend Controls

During 2024/25, in order to try to ensure that the Council delivered a balanced budget, the following spend controls were introduced.

- A recruitment freeze for all but essential roles.
- Cessation of all unnecessary spend
- A deep review of spends areas within Directorates
- The reduction of the number of Purchase cards in circulation and tighter controls
- Enhanced spend reporting to the Corporate management team.

It is envisaged that these controls will continue for 2025/26.

Dedicated School Grant

The High Needs Block of the DSG is in deficit, with an expected overspend of c£22M in 2024/25. This is addition to an overspend in 2023/24 and the cumulative deficit is expected to be at £44.8M by the end of 2024/25.

Currently, there is a Statutory Override in place which means that the Council does not need to fund the DSG deficit, but that override is due to cease at the end of 2027/28 with no clear way forward at this stage.

This represents a significant risk to the Council if a solution to what is a national issue isn't forthcoming.

Review of Equalities Strategy

The current Strategy was due for review in 2022. We are currently in the process of refreshing and redrafting the Strategy and have set out the timeline for approval and implementation below. The refreshed Equality, Diversity and Inclusion (EDI) Strategy 2025-2029 will set out our commitment for advancing equality, diversity and inclusion across all our services and be at the core of how we work. It will enable us to:

- Hold ourselves accountable for delivering the council ambitions
- Instil confidence and a shared language in our staff
- Align our colleagues and stakeholders with our vision and priorities
- Signal a clear vision and ambition
- Manage risks and expectations
- Help the council understand where we are currently, where we want to go and how best to get there

Proposed timetable for approval:

It is proposed that final sign off for the EDI Strategy will be achieved by July 2025.

The current timeline proposed is:

- CMT 26 March 2025
- Corporate Resources OSC 8 April 2025
- Executive Committee 4 June 2025
- Full Council 18 July 2025

Implementation:

The strategy will be implemented through agreed action plans across each directorate with quarterly reporting against agreed EDI objectives. An Annual EDI Report will be generated to track and evaluate progress and to ensure we meet the outcomes for 2025-2029.

Review of Scrutiny Function

A significant number of reports are scrutinised by the Overview and Scrutiny Committee before decisions are taken by Executive where requested along with other reports requested by Scrutiny as part of work planning arrangements. The Constitution provides a right for the Chair of the OSCs to attend the Executive meeting to present recommendations and provides clarity of the requirements for Executive to respond in a timely fashion. There are examples of the Executive responding to Committee recommendations and proposals and decisions being changed as a result of engagement with the scrutiny process evidenced by the Annual Report. Committees are mostly chaired by the 'opposition' Groups.

Member dissatisfaction with the function of Scrutiny has been openly communicated to the Council's Statutory Officers and has recently become a regular narrative in the Council's decision making and Scrutiny Committees. Committees have the opportunity to influence policies early in their development, but agendas often contain a significant number of items, making it difficult to add value. Members openly recognise the value of detailed task and finish groups but have not addressed the balance of activity to create opportunities for these to take place, as the number of formal meetings has increased significantly. Whilst 94% of recommendations made by the Overview and Scrutiny Committees in 2023/24 were accepted and implemented within a period of 12 months they offered limited challenge and often were not specific or focused on adding value or supporting the delivery of the Council's objectives. There are examples of Scrutiny becoming increasingly adversarial which impacts on positive outcomes. In addition the relationship between Executive and Scrutiny is not always collaborative/collegiate. Expectations regarding Scrutiny outcomes and recommendations to Executive are largely misunderstood and are not clearly reflected in the Council's Procedure Rules/Protocols which is leading to confusion and disappointment. The burden on officers in relation to actions arising from Scrutiny meetings and reports added at late notice is disproportionate when compared with the measurable outcomes and impacts from Scrutiny work. Scrutiny Chairs and Executive members have recognised that improvements are required in order to clarify the scope and purpose of Scrutiny, manage expectations and improve relationships and preliminary meetings have taken place and are planned to continue in order to address these issues. The recent introduction of an

internal process to track actions and recommendations from Scrutiny is also a positive step forward in order to manage and monitor Scrutiny outcomes. The Monitoring Officer and Statutory Scrutiny Officer recommend a review of the Scrutiny function in order to clearly define functions and responsibilities, re-set expectations and create the framework for a more positive relationship between Scrutiny and Executive. This review should take place as a priority in 25/26 and will require the support and feedback from Scrutiny and Executive members and allocation of adequate resources.

Audit and Audit Assurances

Risk Management

The Council maintains a decentralised approach to risk management, with accountability embedded within service areas and directorates. Each Directorate has a designated **Risk Champion** who acts as a subject matter expert and leads on promoting risk and co-ordinating activity within the Directorate to meet corporate update deadlines. Directorate Management Teams (DMTs) maintain and regularly review Directorate-level Risk Registers to ensure that significant risks are identified, assessed, and managed appropriately.

Strategic risks are captured within the Council's **Strategic Risk Register**, which is overseen by the Corporate Management Team (CMT). To ensure a joined-up approach, the most significant operational risks are escalated and aggregated, forming part of a consolidated quarterly risk update to both CMT and the Audit Committee. This process enables senior leadership and Members to maintain oversight of the Council's risk profile and ensure that appropriate mitigation strategies are in place.

Audit & Assurances

Head of Internal Audit & Risk opinion

For the twelve months ended 31 March 2025 - based on the established frameworks, work undertaken by Internal Audit and information from other sources of assurance - my opinion on the adequacy and effectiveness of Central Bedfordshire Council's arrangements for governance, risk management and control is:-

ADEQUATE

In general, the key controls in place are adequate and effective such that reasonable assurance can be placed on the operation of the Council's functions.

For more detail on this opinion please see the report entitled Annual Audit Opinion presented to the Audit Committee 29 May 2025.

Clint Horne FCCA

Head of Internal Audit and Risk

Statement of Commitment

The Leader of the Council and Chief Executive both recognise the importance of having good management, effective processes and other appropriate controls in place to have a well-run Council, delivering services to the communities of Central Bedfordshire. We acknowledge areas identified for improvement and will use these alongside the review of effectiveness to ensure the Council continues to reflect and build on its governance arrangements to ensure there is a robust framework for delivering the council's priorities.

This Annual Governance Statement (AGS) describes how its corporate governance arrangements have been working. To help us do this, the Council's Audit Committee undertakes a review of our governance framework and the development of the AGS. This AGS for 2024/2025 will be presented to the Audit Committee for approval on the 29th May 2025 to be recommended for signing by the Leader of the Council and Chief Executive.

Councillor Adam Zerny
Leader of the Council
Date: October 2025

Marcel Coiffait
Chief Executive
Date: October 2025

GLOSSARY

This glossary is intended to provide the reader with a clear and concise explanation of the technical terms used in this report.

ACCOUNTING ESTIMATE

A monetary amount in the financial statements that is subject to measurement uncertainty.

ACCOUNTING PERIOD

The period 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.

ACCOUNTING POLICIES

Those principles, bases, conventions, rules, and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements.

ACCRUALS

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

ACQUISITIONS

The Council uses its Capital Programme to buy assets such as land and buildings.

ACTUARIAL GAINS AND LOSSES

The extent to which the movements of the asset and liability values over the accounting year have not been as assumed at the previous accounting date, and the effect on the liabilities of changes to the assumptions used to value them.

For example, the difference between the actual investment return on assets and future mortality rates on liabilities.

ACTUARIAL VALUATION

The Actuary reviews the assets and liabilities of the Pension Fund and reports to the Council on the Fund's financial position and recommended employers' contribution rates every three years.

ACTUARY

An independent and appropriately qualified adviser who carries out statutorily required pension fund valuations.

AGENCY SERVICES

Provided by or for another local authority or public body where the cost of carrying out the service is reimbursed.

AMORTISATION

A measure of the cost of economic benefits derived from intangible assets that are consumed during the period. Amortisation routinely decreases the value of an intangible asset. A corresponding concept for tangible assets is known as depreciation. The idea of amortisation is to spread the cost of an asset over the period of its 'useful life'.

ANNUAL GOVERNANCE STATEMENT

The annual governance statement is a statutory document that explains the processes and procedures in place to enable the Council to carry out its functions effectively.

ASSET

An item having value to the Council 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);
- a non-current asset provides benefits to the Council 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.

ASSET REGISTER

A record of Council assets including land and buildings, housing, infrastructure, vehicles, plant, furniture, and equipment. This is maintained for capital accounting and property management purposes. It is updated annually to reflect new acquisitions, disposals, revaluations, and depreciation.

ASSETS HELD FOR SALE

An Asset Held for Sale (AHS) is not being used to deliver services and for which the Council is actively marketing for sale. The sale must be expected to be completed within one year of the Balance Sheet date.

ASSETS UNDER CONSTRUCTION

An Asset Under Construction (AUC) is the first stage of an asset's life during the process of being constructed where it is not yet available for use to serve the Council. The AUC phase may last for an extended period during which time its value is not subject to depreciation.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BAD DEBTS

Debts owed to the Council which are deemed to be irrecoverable and are written off.

BALANCE SHEET

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

BALANCES

The amount of money left over at the end of the financial year after allowing for all expenditure and income that has taken place. They comprise the General Fund balance and the Housing Revenue Account balance.

BILLING AUTHORITY

A local authority charged by statute with responsibility for the collection of and accounting for Council Tax and Non-Domestic Rates (NDR) in their area. These are district councils, borough councils, and unitary authorities.

BORROWING

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

BUDGET

A statement of the Council's revenue and capital plans expressed in financial terms.

BUSINESS RATES

Rates payable on business premises based on their rateable value (last assessed in the 2023 Rating List by the Valuation Office Agency) and a national rate poundage multiplier set by Central Government. It is collected by the Council on behalf of itself, Central Government, and major preceptors.

CAPITAL ADJUSTMENT ACCOUNT

An account that reflects the difference between the cost of non-current assets consumed and the capital financing set aside to pay for them.

CAPITAL EXPENDITURE

Expenditure on the acquisition, construction, enhancement, or replacement of non-current assets such as land, buildings, roads, vehicles, and computer equipment, 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 non-current 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 FINANCING REQUIREMENT (CFR)

The CFR is the capital investment funded from borrowing which has yet to be repaid. The Minimum Revenue Provision (MRP) in relation to this debt is calculated with reference to the estimated life of the asset for which borrowing is undertaken at the end of the preceding financial year. The CFR increases with capital expenditure and decreases with capital finance and MRP.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period.

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 Central Government but they cannot be used to finance revenue expenditure. Unapplied capital receipts are held in a Capital Receipts Reserve until such time they are used to either fund new capital expenditure or repay any outstanding debt on fixed assets.

CAPITAL RESERVES

Capital reserves represent resources earmarked to fund capital schemes as part of the Council's capital investment strategy.

CAPITALISATION

Costs are capitalised to the extent that they create or improve any non-current asset with a useful economic life greater than one year.

CASH EQUIVALENTS

Investments that are readily convertible to known amounts of cash with an insignificant risk of change in value.

CASH FLOW STATEMENT

A record of the Council's cash inflows and outflows arising from transactions with third parties throughout the year.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The professional accountancy body which represents at national level the interests of local government and public service finance. The Institute produces advice, codes of practice and guidance to local authorities.

CIPFA CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING

The Code specifies the principles and practices of accounting to give a "true and fair" view of the financial position and transactions of a local authority.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and Non-Domestic Rates (NDR), and the sums paid to Central Government and to the precepting authorities.

COMMUNITY ASSETS

The class of non-current assets held by the Council in perpetuity that have no determinable useful life and may have restrictions on their disposal, such as parks, open spaces, historical buildings and works of art.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The account of the Council 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 principle 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 arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence of uncertain future events not wholly within the Council's control.

CONTINGENT LIABILITY

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 of uncertain future events not wholly within the Council's control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The costs 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. It includes costs relating to corporate management and democratic representation.

COUNCIL TAX

A local tax on properties within Central Bedfordshire, set by the Council and precepting authorities. The level is determined by the revenue expenditure requirements for each authority divided by the Council Tax base for the year.

COUNCIL TAX BASE

The amount calculated for each billing authority from which the grant entitlement of its share is derived. The number of properties in each band is multiplied by the relevant band proportion to calculate the number of Band D equivalent properties in the area. The calculation allows for exemptions, discounts, appeals, and a provision for non-collection.

CREDITOR

Amount owed by the Council 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 ASSET

An asset that is held primarily for the purpose of providing Council services which is expected to be realised within 12 months of the Balance Sheet date; examples include short-term debtors and cash.

CURRENT LIABILITY

An amount which will become payable or could be called in within one year of the Balance Sheet date; examples are short-term creditors and cash overdrawn.

CURRENT SERVICE COST

An estimate of the true economic pension cost of employing people in a financial year. It measures the full pension liability estimated to have been generated in the year.

CURRENT VALUE

The price that would be received from the sale of operational property, plant, and equipment assets or paid to transfer a liability based on existing use value in an orderly transaction between market participants at the measurement date.

DEBTOR

An amount owed to the Council 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

A pension scheme in which a pensioner's benefits are specified, usually relating to their length of service and salary, and are independent of the contributions payable, and the benefits are unrelated to the performance of the investments of the scheme.

DEPRECIATED HISTORICAL COST

The valuation of non-current assets at their original cost less depreciation charged to date.

DEPRECIATED REPLACEMENT COST

Relating to non-current assets, the current replacement costs adjusted for depreciation. This method of valuation is used when it is not practical to estimate the open market value for the existing use of a specialised property, such as schools.

DEPRECIATION

The measure of the cost of wearing out, consumption, or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.

EFFECTIVE RATE OF INTEREST

The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the Balance Sheet at initial measurement.

EMPLOYEE BENEFITS

All forms of consideration given by the Council in exchange for services rendered by employees.

EQUITY

The residual value of an entity's assets after deducting its liabilities.

EXCEPTIONAL ITEM

An item which derives from events or transactions that falls within the ordinary activities of the Council, and which needs to be disclosed separately by virtue of its size or incidence to give fair presentation of the accounts from year to year. Such an item will always be explained in a Disclosure Note to the Statement of Accounts.

EXISTING USE VALUE FOR SOCIAL HOUSING (EUV-SH)

A vacant possession valuation of Council dwellings adjusted to reflect the continuing occupation by a secure tenant. A further adjustment is made to reflect the difference between open market rented property and social rented property.

EXPENDITURE AND FUNDING ANALYSIS

A report which brings together the Council's performance based on expenditure measured under proper accounting practices with statutorily defined charges to the General Fund (including the HRA). It also shows how annual expenditure is allocated for decision making purposes between the Council's Directorates.

EXTRAORDINARY ITEMS

Material items that are not within the Council's ordinary activities and are not expected to recur.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length open market transaction.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

FINANCIAL LIABILITY

An obligation to transfer economic benefits controlled by the Council. Examples include borrowings, financial guarantees, and amounts owed to trade creditors.

FINANCING ACTIVITIES

Activities that result in changes in the size and composition of the principal received from or repaid to external providers of finance.

GENERAL FUND

The Council's main revenue account that covers the net cost of all services. Day-to-day transactions are conducted through this account, except for those relating to the Housing Revenue Account (HRA), Collection Fund, or any other trust funds held by the Council. The accumulated credit balance on the General Fund is needed as a cushion against unforeseen expenditure.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by Central Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

GROSS EXPENDITURE

The total cost of providing the Council's services before deducting income from Central Government grants, or fees and charges for services.

HERITAGE ASSETS

An asset with special qualities that is held and maintained principally for its contribution to knowledge and culture.

HISTORICAL COST

The amount originally paid for a non-current asset.

HOUSING BENEFITS

A national system of financial assistance to individuals towards meeting certain housing costs administered by local authorities and subsidised by Central Government.

HOUSING REVENUE ACCOUNT (HRA)

A statutory account maintained separately from the General Fund for the recording of income and expenditure relating to the provision of housing accommodation by the Council.

IMPAIRMENT

A reduction in the carrying amount of a non-current asset (due to obsolescence, damage, or an adverse change in the statutory environment).

INCOME

The gross inflow of economic benefits or service potential during the financial year when those inflows or enhancements of assets or decreases of liabilities result in an increase in reserves. Income includes both revenues arising during ordinary activities and gains such as the revaluation of non-current assets.

INFRASTRUCTURE ASSETS

Fixed assets belonging to the Council that cannot be transferred or sold, such as highways, footpaths, and bridges.

INSURANCE RESERVE

The Insurance Reserve is used to cover liabilities under policy excesses and to finance any claims for small risks not insured externally. In addition, the Council carries a substantial amount of self-insurance financed from this Reserve.

INTANGIBLE ASSETS

Non-current assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The international accounting standards that the Council is required to follow in compiling its financial statements.

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

International Accounting Standards (IAS) adapted to meet public sector requirements. International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

INVESTMENT PROPERTY

Land or buildings that are held solely for their investment potential, i.e., to earn rental income or for capital appreciation or both. 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.

LEASE

A lease transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. The organisation paying the lease is treated as if it owns the goods and is required to include leased assets on the Balance Sheet.

LESSEE

The party that leases an asset that is owned by another party.

LESSOR

The owner of an asset which is leased to another party.

LEVIES

Payments made to the Environment Agency, Bedfordshire & River Ivel Internal Drainage Board, and Buckingham & River Ouzel Internal Drainage Board.

LIABILITY

A liability is where the Council 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.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council 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.

LOANS AND RECEIVABLES

Financial assets with fixed or determinable payments and are not quoted in an active market.

LOCAL GOVERNMENT PENSION SCHEME

The main occupational pension scheme for Local Government employees; the Council's scheme is administered by Bedford Borough Council as part of the Bedfordshire Pension Fund.

MAJOR REPAIRS RESERVE (MRR)

The Major Repairs Reserve records amounts set aside from the Housing Revenue Account (HRA) which can be used to fund either future capital expenditure or the repayment of borrowing.

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 Statement of Accounts.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year to provide for the repayment of loans and other amounts borrowed by the Council. Local authorities are required by law to have regard to Government guidance on MRP.

MOVEMENT IN RESERVES STATEMENT (MIRS)

This financial statement presents the movement in usable and unusable reserves (the Council's total reserve balances).

NET ASSETS

The amount by which assets exceed liabilities (same as 'net worth').

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 PRESENT VALUE (NPV)

The difference between the present value of cash inflows and the present value of cash outflows (including initial cost) over a period. NPV is used in capital budgeting to analyse the profitability of a potential investment or project.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

NET REVENUE EXPENDITURE

Gross expenditure less fees & charges for services and specific grants but before transfers to/from reserves and the deduction of national business rates.

NET WORTH

The total funds, balances, and reserves (both usable and unusable reserves) held by the Council.

NON-CURRENT ASSETS

An asset that does not meet the definition of a current asset and yields benefit to the Council for a period of more than one year.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and, as such, are not apportioned to services. An example is the extra pension costs caused by early retirement.

NON-OPERATIONAL ASSETS

Tangible non-current assets held by the Council but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties, assets under construction, or assets surplus to requirement pending sale or redevelopment.

OPERATING ACTIVITIES

The activities of the Council that are not investing or financing activities.

OPERATIONAL ASSETS

Non-current assets held and occupied, used, or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

OUTTURN

Refers to actual income and expenditure or balances as opposed to budgeted amounts.

PAST SERVICE COST

Additional pension benefits granted during the accounting year give rise to a past service cost, for example, an employer decision to award additional service to a retiring employee.

PENSION RESERVE

The Pensions Reserve is a specific accounting mechanism used to reconcile the payments made for the year to the Local Government Pension Scheme (LGPS) in accordance with the scheme's requirements and the net change in the Council's recognised liability under International Accounting Standard 19 (IAS) employee retirement benefits. A transfer is made to or from the Pensions Reserve to ensure that the charge to the General Fund balance reflects the amount required to be raised in taxation. The Reserve is at the same level as the pension's liability carried on the top half of the Balance Sheet.

POOLED BUDGET

Partners contribute a set amount of money to form a separate budget. The purpose and scope of the budget is agreed at the outset and then used to pay for relevant services and activities.

POST-EMPLOYMENT BENEFITS

Post-employment benefits cover not only pensions but also other benefits payable post-employment such as life insurance and medical care.

POST-BALANCE SHEET EVENT

Events both favourable and unfavourable which occur between the Balance Sheet date and the date on which the Statement of Accounts is authorised for issue.

PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRECEPTING AUTHORITIES

Those authorities that are not billing authorities (i.e., do not collect Council Tax) precept upon the billing authority, who then collect on their behalf – Bedfordshire Police Authority, Bedfordshire Fire & Rescue Service, and the Parishes that precept upon Central Bedfordshire Council.

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.

PRIVATE FINANCE INITIATIVE (PFI)

A Government scheme where a private company builds and finances property assets, e.g., schools and hospitals, on behalf of the public sector for a specified period. The private sector operator is paid for its services over the period of the arrangement, which is typically 30 years.

PROPERTY, PLANT AND EQUIPMENT (PPE)

Tangible assets (i.e., assets with physical substance) that are held for use in the production or supply of goods and services, and which are expected to be used for longer than a single financial year.

PROVISION

An amount put aside in the accounts where an event has taken place on or before the Balance Sheet date that gives rise to future liabilities or losses which are certain or very likely to occur, where a reliable estimate can be made of the amount of the obligation but the dates of when they will arise are uncertain.

PRUDENTIAL CODE

Local authorities are subject to a self-regulatory “prudential system” of capital controls. This gives authorities the freedom to determine how much of their capital investment they can afford to fund by borrowing. The objectives of the Code are to ensure that the Council’s capital investment plans are affordable, prudent, and sustainable, with local authorities being required to set specific prudential indicators.

PUBLIC WORKS LOAN BOARD (PWLB)

A statutory body that lends money from a National Loans Fund for periods of up to 50 years to local authorities and other prescribed bodies and collects the repayments.

QUALIFIED VALUER

A person conducting asset valuations who holds a recognised and relevant professional qualification and has sufficient current local and national knowledge of the market, and the skills and understanding to undertake the valuation competently.

RECEIPT IN ADVANCE

Receipt that will be matched to expenditure in a future financial year.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

For the Council's purposes, related parties are deemed to include the Council’s Members, the Chief Executive, its Directors, and their close family and household members. These are considered to have the potential to control or significantly influence the Council. Other related parties include Central Government, bodies precepting or levying demands on the Council Tax, the Bedfordshire Pension Fund, other public bodies the Council has partnership arrangements with such as the NHS Bedfordshire, Luton and Milton Keynes Integrated Care Board (ICB), and the Council's ownership of Local Authority Trading Companies (LATCs) being its wholly owned subsidiary companies of New Vista Homes Ltd, Care is Central Ltd, Care is Central Residential Ltd, The Central Bedfordshire Group Ltd and its 50% ownership of Pathfinder Legal Services Ltd.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount together with implications of such related party transactions.

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 Council. Some capital reserves such as the Capital Adjustment Account cannot be used to meet current expenditure.

RESIDUAL LIFE

The assumed remaining life of a non-current asset used in calculating the depreciation charge.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

REVALUATION RESERVE

This records unrealised net gains from asset revaluations since 1 April 2007.

REVENUE CONTRIBUTIONS TO CAPITAL OUTLAY (RCCO)

The use of revenue monies to pay for capital expenditure – also known as Direct Revenue Funding (DRF).

REVENUE EXPENDITURE

The day-to-day expenses of providing Council services, e.g., salaries, wages, contract payments, supplies and capital financing costs.

REVENUE EXPENDITURE FUNDED FROM CAPITAL 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.

RIGHT-OF-USE ASSETS

A Right-of-Use (ROU) asset represents the value of a leased asset that the Council has the right to use during the lease term.

RIGHT TO BUY

The Council is legally required to sell council homes to tenants at a discount, where the tenant wishes to buy their home.

SECTION 151 OFFICER

A term used to describe the Chief Finance Officer whose responsibilities are set out in the Statement of Responsibilities for the Statement of Accounts.

SERVICE REPORTING CODE OF PRACTICE (SeRCOP)

CIPFA's Service expenditure Reporting Code of Practice which provides guidance on financial reporting to stakeholders and establishes 'proper practice' regarding consistent financial reporting.

SURPLUS ASSETS

An asset that is not being used to deliver services.

TRADE PAYABLES

Trade payables represent the amount that the Council owes to its creditors and suppliers. Trade payables are recorded on the Balance Sheet under current liabilities.

TRADE RECEIVABLES

Trade receivables represent the amount owed to the Council by its customers following the sale of goods or services on credit. Trade receivables are classified as current assets on the Balance Sheet.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, and specific projects.

UNUSABLE RESERVES

There are several unusable reserves, which are set out for technical purposes. It is not possible to utilise these to provide services.

USABLE CAPITAL RECEIPTS RESERVE

Proceeds of non-current assets sales available to meet future capital investment. These capital receipts are held in this reserve until such time they are used to either fund new capital expenditure or repay any outstanding debt on fixed assets.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will benefit from the use of a non-current asset.

VALUE ADDED TAX (VAT)

An indirect tax levied on most business transactions and on many goods and some services. Input tax is VAT charged on purchases. Output tax is VAT charged on sales.

WHOLE OF GOVERNMENT ACCOUNTS (WGA)

An HM Treasury scheme to amalgamate the accounts of all UK local authorities and public bodies into a national consolidated set of accounts. Each body must return a pro forma based on their audited published accounts and identify their major transactions with the other public sector bodies.

WRITE-OFF

Income is recorded in the Council's accounts based on amounts due. When money owing to the Council cannot be collected, the income due is either reduced or written off.

Contact Details

Contact us...

If you have any questions on these Financial Statements or require further copies, please contact the Council as follows:

For the attention of:

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