



Wrest Park, Silsoe

# Central Bedfordshire Council Statement of Accounts 2023/24

**A great place to live and work.**

# STATEMENT OF ACCOUNTS 2023/24

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# Director of Resources' Narrative Report

## A. Background

This document presents the statutory financial statements for Central Bedfordshire Council (the Council) for the period 1 April 2023 to 31 March 2024 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 2023/24 ("the Code").

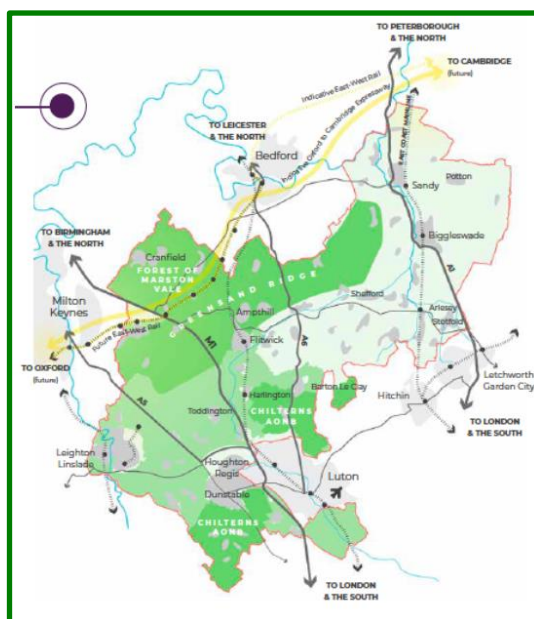
The Statement of Accounts and the supporting notes explain the Council's finances for the financial year 2023/24 and its financial position at the year end. This document follows approved accounting standards and is necessarily technical in parts. Comparative numbers are also provided for the financial year 2022/23 throughout.

## B. About Central Bedfordshire

### An Introduction to Central Bedfordshire

Central Bedfordshire is a unitary authority serving a growing population of over 300,000 residents, covering an area of 716km<sup>2</sup>, and it has the 19<sup>th</sup> largest unitary council population in England, and is ranked 4<sup>th</sup> when ordered by population growth rate. It is a largely rural area and has a population density of 421 people per square kilometre (km<sup>2</sup>) based on mid-2022 population figures published by the Office for National Statistics (ONS). That figure has increased by 53 people per km<sup>2</sup> over the past decade. This is 17 people per km<sup>2</sup> less than the England average of 438.

The largest towns in Central Bedfordshire are Leighton Buzzard, Dunstable, Biggleswade, Houghton Regis, Flitwick, and Sandy.



Employment levels continue to be above the national average, 82.8% in Central Bedfordshire compared to the Great Britain average of 75.8% (as of September 2023). People living in Central Bedfordshire earn more than the national average, at gross pay of £782 per week compared to the Great Britain average of £683. This is in part

influenced by some residents commuting out of the area – primarily to Hertfordshire, Luton, London, and Milton Keynes.

The area has excellent transport links with the A1 and M1 running through it, and three main rail lines and two international airports, Luton, and Stansted, all close by.

### Key Facts about Central Bedfordshire

In considering Central Bedfordshire it is important to have regard to the following background information:

#### Creating opportunities for rewarding work

- 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.
- Central Bedfordshire spent £17.5M of the £26.7M levelling-up funding secured from Central Government on transport improvements and 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”.
- In 2023 there were 12,215 active businesses in Central Bedfordshire, (a decrease of 165 on the 2022 figure of 12,380. This is in line with the national picture which saw a 1.5% decrease in active businesses according to the ONS. Micro businesses (those with up to 9 employees) saw the greatest decrease in numbers between 2022 and 2023 in Central Bedfordshire falling from 11,275 to 11,095 as the economic environment continued to sustain high levels of inflation and interest rates.
- In December 2023 18,000 people in Central Bedfordshire were self-employed, this is a decrease of 2,700 in comparison to the same period in 2022. This is likely due to the high employment rate and the ongoing cost of living crisis.
- Central Bedfordshire is home to world leading companies such as B/E Aerospace, Lockheed Martin, Nissan Technical Centre Europe, Cranfield University, Whitbread, Amazon, and the Jordan and Ryvita Company.



- 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.

### Improving educational achievement and progress

- 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.
- A brand-new secondary school building opened in September 2023 in Houghton Regis on the Kingsland Campus – Houghton School. The school is the first new secondary school the Council has ever built in Houghton Regis and demonstrates some of the investment the Council is making in education. There are plans for further schools in the pipeline and more than 100 schools are set to be expanded. This will ensure that Central Bedfordshire children will be provided with the best facilities possible during their education.
- The Council has also supported over 3,500 children with complex special educational needs and created over 100 new specialist school places.

### Delivering quality housing

- The Council's population is predicted to grow to 329,000 by 2031 (10% growth), and some ONS forecasts are as high as 341,000 by 2032. The rate of population growth is expected to be much higher for older people, with an expected growth rate of 38% (20,200) for those aged 65+ between 2020 and 2035.
- Key to this population growth is ensuring that there is sufficient quality housing and infrastructure to meet this demand. The Council's Local Plan was submitted to Government on 30 April 2018. The plan runs until 2035 and seeks to deliver 24,000 new jobs and 39,350 new homes across Central Bedfordshire.
- The Council is creating the infrastructure to support the planned housing development at Chase Farm, Arlesey. The new relief road, created between Arlesey High Street and the A507, opened in November 2023. As part of the comprehensive scheme there are new cycleways and footways alongside the carriageway as well as a new foot, cycle and equestrian bridge over the busy A507. This completed a safe route linking Arlesey to the popular Etonbury Woods and local schools. This road is the crucial first part of the infrastructure needed for lots of new developments in the area, in addition to the new homes, there will be community facilities and commercial development.



## Enabling People to live their best lives

- In December 2023 85.6% of people aged 16-64 were in work, significantly higher than the Great British average of 78.8%.
- The average full-time gross weekly income in Central Bedfordshire is £782.10, the Great British average is £682.60.
- The UK House Price Index (HPI) shows that the average Central Bedfordshire house price in February 2024 was £344K. The England average was £298K.
- 2.3% of residents are claiming out of work benefits compared to a Great Britain average of 3.9%. These figures are as of March 2024 and are similar to the values for both Central Bedfordshire and Great Britain at the same time last year.
- The Council is part of the major project to establish a strategic railway connecting East Anglia with Central, Southern and Western England. The scheme has been revised and the works are now divided into four sections; Oxford to Bicester which is complete, Bicester to Bletchley which is under construction, Bletchley to Bedford and Bedford to Cambridge both of which cross parts of Central Bedfordshire.

## 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 4<sup>th</sup> May 2023.

The Independent group currently holds 26 seats plus one non-aligned Independent. The remaining seats are held by 20 Conservative Councillors, 10 Liberal Democrat, five Labour and one Green Party Councillor.

Cllr Adam Zerny is the current Leader of the Council. He was elected at the Full Council meeting held on 25<sup>th</sup> May 2023. He used his opening speech to highlight the Independents' ambitions for the future.



“We are the first unitary or county council in the country to be run by Independents. Our wish is that we take consensus and work with all groups to achieve the best for the residents of Central Bedfordshire. We do not have a majority so this might mean that decisions don't always go our way, but that is right. That is democracy and that is exactly what should happen. Now the real work begins. We will take a forensic view of Council finances and make sure our residents get the most out of the Council Tax they pay. Protecting the welfare and wallets of residents is our primary aim...”

The Strategic Plan has been reviewed over the past twelve months with the new leadership and looks to create an inclusive, sustainable, and resilient community where everyone can thrive and contribute to our collective wellbeing. The revised plan was agreed at Council in April 2024 and will underpin the work of the Council over the next few years. [Read the Strategic Plan 2024-2027](#).

## 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 156.

## 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’s services** 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.
- **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 2023/24.

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.
- **Developing plans** for more walking and cycling routes, making better connections for people using active travel.

### LGA Corporate Peer Review

A Local Government Association (LGA) Peer Challenge team spent time at the Council in September speaking to staff, Members, and some of our partners to provide an independent expert review of what we are doing well, where we can improve and do things differently and our ability and capacity to deliver on our ambitions.

A Peer Challenge is not an inspection, but a tool for improvement. The team provides challenge and shared learning aimed at improving, not judging the Council. The team included a former Leader of Royal Borough Kingston Upon Thames and an

experienced LGA Associate Peer and former managing director of Bournemouth Council along with other experienced senior officers from other councils.

The report confirmed that overall, we are a well-performing council with many positive examples of excellence and that our staff are passionate and committed to doing a great job. The [Peer team's report](#) is available on our website.

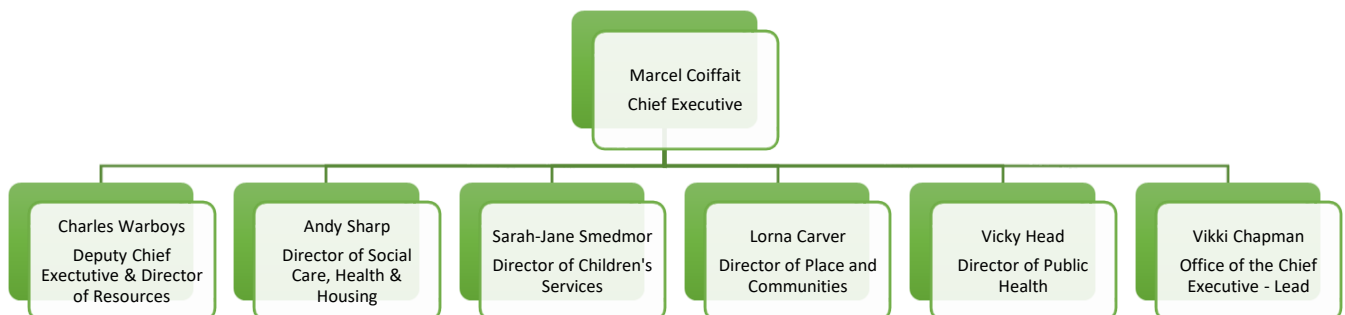
## Management Structure

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 five Directors, collectively they are known as the Corporate Management Team. During 2023/24 a new position of Deputy Chief Executive was created and the Director of Resources took on this additional responsibility. The Lead of the Office of the Chief Executive was also made the Assistant Chief Executive.

Senior Officer remuneration costs reduced by £0.041M to £1.213M (£1.254M in 2022/23). Further detail on this can be seen in Note 30 to the Statement of Accounts.

The Corporate Management Team Structure, as at 31 March 2024, is shown in the following chart.



## Employees

The Council employs approximately 4,000 staff (including those employed within schools) and employs some temporary / agency staff to deliver the various services. The use of temporary resources has increased this year following difficulties in recruiting to vacant posts, with total spend in 2023/24 of £13.3M compared to £12.9M in 2022/23.

As a result of inflationary pressures and unfunded additional burdens, the Council implemented a control process during 2023/24 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 at the Corporate Management Team.

The Council is also committed to supporting those entering the workforce and as at the end of 2023/24 there were 131 apprentices throughout the Council (this compares to 107 in 2022/23).

## Results of staff survey

A staff survey is run every two years, giving staff the opportunity to say how they feel about working here and how we are doing as an employer. The results help to influence policies and decisions and enable the Council to become a better organisation. 2023 received the highest response rate of 63% with a good mix of staff from frontline and back-office services and different directorates giving their views.

The biggest positive shifts were around staff being satisfied with where they work (90%), the IT tools to do their job (87%) and IT support (87%).

Working at home as part of a hybrid contract is working well for most, with higher satisfaction levels and work-life balance reported by those who work mostly at home. Those who said they are on hybrid contracts reported they have flexibility around their working patterns (85%) and their working location (93%).

Some staff highlighted challenges of working effectively from home around communication, team building, working collaboratively and wellbeing, while some called on improvements to IT and office space to support hybrid and office working.

## C. Economic Environment

2023/24 has seen several challenges impacting on the economic environment, from the continued cost of living crisis to sustained levels of high inflation and higher 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

During 2023/24 Central Bedfordshire Council was awarded £3.0M in Household Support Fund, 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
  - iii. Lives in a permanent, residential park home where applicants receive a household income of less than £30,000 and have a park home with an EPC rating between E – G.

The Household Support Fund was allocated and distributed to households through a number of channels including: free school meals; care leavers; the Children Centre's

Crisis Fund; permanent, residential park homes; Local Welfare Provision (Grant and Emergency top-up); Local Council Tax Support and Housing Benefit only claimants and third-party organisations.

### Council Tax

The in-year Council Tax collection rate decreased by 0.13% during 2023/24 to 97.55%. For Business Rates, the in-year collection rate of 98.47% was an improvement of 1.32% compared to 2022/23.

### Local Council Tax Support (LCTS) Claims

The number of LCTS claims has increased by 6.3% (834 claimants) during 2023/24. The total award of LCTS has increased by £489K during this period. £18.366M has been awarded to residents through 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 £746M over the four years from 2023/24 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.

The electricity substation is being built on 58 acres of former agricultural land and will provide an extra 80 megawatts of electrical power capacity for the area, catering for around 40,000 people. As well as powering up homes and businesses, the development will provide the vital infrastructure needed to influence economic growth and create jobs in Biggleswade. Further information on the scheme can be found on the [Biggleswade Substation website](#).

Work completed on a new transport interchange hub in Flitwick, connecting bus and rail services for the community and features several improvements including better access, a new passenger drop-off and dedicated taxi areas. The Council worked closely with partners at both Network Rail and Govia Thameslink Railways to develop proposals for how the station functions. Collaboration did not stop there as the Council also worked with the South East Midlands Local Economic Partnership (SEMLEP) on this project.



*Artist's impression of the final interchange*

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.

In 2023/24 £12.5M was spent on progressing the new Houghton Regis Community Wellbeing Hub, with the roof nearly complete by the end of March 2024. The centre is expected to open in Autumn 2024 and will feature indoor and outdoor leisure facilities, and community facilities, a café and children's play area. There will be new paths, cycleways, parking, and bus drop off areas 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 and address deprivation in the local area, to support local regeneration.



*Installation of the glulam beams at the Houghton Regis Community Wellbeing Hub*

£5.0M of the £6.8M of funding was spent in the year on the scheme to improve the roundabout at the busy A6 and A507 junction in Clophill. The project will make a big difference for Clophill residents and people using the popular route. It provides a new, improved layout and more capacity to reduce queuing particularly at peak times. Enhancements have also been made to the walking and cycling routes close to the junction.

## Great Resident Services

In 2023/24 141,400 tonnes of municipal waste were collected and disposed of (Residual Waste 72,700 tonnes, Recycling and composting 63,500 tonnes and Reuse 5,200 tonnes). This compares to 2022/23 where the total tonnage of municipal waste collected was 9,100 tonnes lower at 132,300 tonnes (Residual Waste 68,700 tonnes, Recycling and composting 58,600 tonnes and Reuse 5,000 tonnes).

In 2023/24, work to improve biodiversity has continued, with over 70,000 'biodiversity bulbs' being planted. The bulbs aim to attract a greater number and variety of pollinators and further enhance roadside verges.



*Corner Mount Batten Gardens*



*Clarence Road, Leighton Buzzard*

The public satisfaction for highways maintenance, determined through the National Highways & Transport (NHT) annual survey in 2023, was 43% which was a decrease on the previous year (49%). However, there was a declining trend across average scores amongst the majority of the 112 authorities taking part.

The highest scoring areas for Central Bedfordshire continue to be gritting, where the authority ranked 2<sup>nd</sup> nationally, streetlighting and communication. Another area where the Council scored highly was around accessibility and cycling provision.

The main areas for improvement are around the condition of the highways and the repairs to potholes. Since the 2023 survey took place the Highways service has already made good progress in pothole repairs, repairing more this year compared to last.

The Council appointed a new leisure operator contract with Everyone Active taking the on the role from 1 April 2023. They have delivered significant improvements in the usage levels across the centres, and since the start of the financial year there have been 2.34M recorded users at our leisure centres, see table on following page. This represents a 41% increase on the prior year. Fitness memberships are now above pre Covid-19 levels; there has been an increase of 4,736 fitness members since the Covid-19 pandemic struck. Participation in group exercise has also seen an increase with figures up 29% on the prior year.

The positive news does not stop there – swimming activities have increased by 52%; this includes casual swimming, club swimming and public swimming sessions. The number of children learning to swim each week has increased by 22% compared to pre Covid-19 levels and there has been a further 4% increase since 1 April 2023,

resulting in a total of 8,733 children participating each week. 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					
	2023/24	2022/23	2021/22	2020/21	Variance 2023/24 compared with 2022/23	% var.
Saxon (Biggleswade)	537,383	360,499	305,512	89,022	176,884	49.07
Houghton Regis	223,105	186,503	166,842	33,627	36,602	19.63
Flitwick	704,255	492,900	445,871	96,861	211,355	42.88
Sandy Sports Centre*	30,896	102,753	115,664	28,696	(71,857)	(69.93)
Tiddenfoot	435,830	239,861	167,424	59,192	195,969	81.70
The Dunstable Centre	405,990	280,085	209,011	36,108	125,905	44.95
<b>Total</b>	<b>2,337,459</b>	<b>1,662,601</b>	<b>1,410,324</b>	<b>343,506</b>	<b>674,858</b>	<b>40.59</b>

\*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 2023/24 which has been included previously.

## Improving Education and Skills

Central Bedfordshire is an area that is forecast to see a significant population growth with new housing. Up to 43,000 new homes are expected by 2035. This means that we need to plan for additional school places and ensure the best education is available to our children and young people. This plan is part of the Council's New School Places programme. In addition, the three to two tier programme is one of the largest transformation programmes for the Council whereby it is co-ordinating the transition of schools to become primary and secondary schools.

The Council already forecasts and plans for school places on a five-year basis but given this scale of growth, needs a longer-term, strategic plan for education across Central Bedfordshire for the next 15–20 years.

Central Bedfordshire has historically been a three-tier school system with lower, middle, and upper schools. However, this has been changing more recently as schools have changed the age range they cater for, effectively becoming a primary or secondary school.

The Council is working with schools to ensure it has the right school places, in the right locations, delivering the best education. Providing the right environment for young people to learn is important and over the last year the Council has started work expanding schools. In the last academic year, the New School Places programme has commissioned a further 540 new secondary places. The three to two tier programme has begun the transition of lower, middle, and upper schools in the Biggleswade area to become primary and secondary schools in September 2024.

Ofsted undertook light touch inspections in the summer term of 2021 with full inspections returning in September 2022. As of August 2023, 86% of schools and

academies were rated either Good or Outstanding, compared with 89% in December 2022.

Early Years Foundation Stage (EYFS) and Key Stage (KS) 1 results overall is in line or above the national average. KS2 and KS4 overall performance has fallen and as a result both key stages remain below statistical neighbours and national averages.

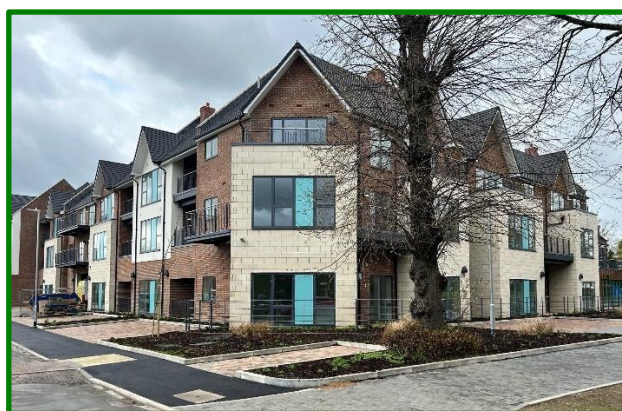
The percentage of young people aged 16-17 who are participating in education or employment or training (EET) during 2023/24 in Central Bedfordshire is 96.8% which is slightly better than statistical neighbours and remains broadly in line with national figures. This is consistent with previous years and reflects the effective support and interventions put in place by the Council that were maintained and adapted during the Pandemic.

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 and has begun consultation on a 'Skills For All Strategy', based on four priority areas: Foundational; Pathways to achievement; Future workforce; and Supporting learners and schools

### 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. All Saints View, Houghton Regis, is the largest new build project (163 units of affordable housing and 5 outright sale homes) within the plan, with phase 1 completed in March 2022, and phase 2 completed in March 2024.



*External view of Phase 2 of All Saints View*

A further Independent Living scheme will form part of a senior living village, to be situated on the site of the former leisure centre (now demolished) at Steppingley Road in 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 (GF), 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. Completion of the project is due in 2024.



*Artist's impression of Steppingley Road, Flitwick*

The number of children who are the subject of Child Protection Plans has increased from 229, in February 2023, to 244 at the end of February 2024. The Council is caring for 376 looked after children, an increase of 4 children from 372 in February 2023. The number of fostering households is 102 – as compared to 126 in February 2023. The number of children cared for by Central Bedfordshire foster carers has recently decreased from 143 in February 2023 to 136 in February 2024, with some variation month by month that averages to 140 children being cared for by in-house foster carers.

Central Bedfordshire Children's Services were the subject of an Ofsted ILACS regulatory inspection in January 2022, including in respect of services. This inspection concluded that services for children and families were Good in all domains. A focus visit in Feb 2024 evidenced continued improvement from this position.

The Local Area SEND improvement agenda has been a priority throughout 2023/24. Feedback from Ofsted and the Care Quality Commission (CQC) 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 2023 we received 909 requests for an EHCP, an increase of 173 (23.5%) compared with 2022, which in itself was an increase of 118 (19%) compared with 2021. Overall, there has been a 90.2 % increase in requests over the last three years.

## 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.

The Council continued to hold Community Action Days across the county, covering Arlesey, Dunstable, and Toddington over the year, with Dunstable being the first two-day event. These are proactive events organised to make communities even better places to live and are supported by a range of partners and volunteers. Officers from Community Safety, Public Health, Trading Standards, Highways, Environmental Services, and Housing Services teams, working together with Bedfordshire Police and Bedfordshire Fire and Rescue Service and the local parish councils, carried out high visibility patrols, business visits, tidying of areas, fire prevention advice, bike marking as well as making noticeable improvements to the local area. These events provide an opportunity for Council teams and partners to meet with residents to hear about what issues need to be addressed in the local area.

The twelve Central Bedfordshire libraries, home library service and [virtual library](#) all give access to books, newspapers, magazines, the internet, music downloads and audio books. They also offer services and activities such as tracing local and family history, talks and presentations on local issues, opportunities to learn new languages and craft activities. There are also some exciting plans in place to upgrade some of the libraries in the coming years. Biggleswade Library re-opened its doors in October 2023 after a £0.8M investment to transform it into a modern facility. The refurbishments have enabled a larger children's library, an improved information technology (IT) zone, increased study space, improved wi-fi along with crucial improvements to the building. Biggleswade Children's Centre are now delivering services from this location, as well as a banking advice service hosted by Barclays and the registrar's office is also now located here. This enables the library to really become a hub at the heart of the local community.



Recognising the importance of the library service and as part of responding to the growth identified in the Central Bedfordshire Local Plan, the Council will undertake a strategic review of the service in 2024. It will consider the impact of housing growth and highlight the need to make sure that new developments make an appropriate scale of contribution toward the ongoing delivery and improvement of the library estate.

## 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 £192.6M since 2009 and has a robust plan to maintain financial stability in the years to come.

After carefully considering the feedback from the budget consultation, the Executive agreed to recommend investing £153.5M 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 new integrated health and care hubs where social care and health services are provided in one building providing more convenience for residents.

The Council has a continuous drive to work smarter to increase its effectiveness and work in the most efficient way. As an organisation we are encouraging and supporting our staff to work more flexibly, enabling them to maximise their efficiency by working from wherever they are. One of the benefits to the organisation is the need for less office space which is expensive to buy or lease, run, and maintain.

The Council has made progress in responding to climate change and desires 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. As part of the commitment to sustainability the Council has been undertaking a variety of schemes, from planting bulbs to improve local biodiversity, enabling residents to install solar panels to powering 1,500 homes with energy produced from food waste and planting over 42,000 trees in the year, with more 'Tiny Forests' set to be developed in the coming years.

The Council has also been looking at innovation and has tested a second on-street electric vehicle charging solution, using pavement cable channels, as well as launching its first electric car hire scheme in Leighton Linlade. The on-street charging



pilot makes home charging a safer, more realistic option for the many residents who do not have the ability to park off-street and may not feel comfortable transitioning to an electric vehicle. The cable channels are installed in the pavement to allow the safe trailing of charging cables from property to vehicle. Following the completion of this second pilot scheme, a comparison of the two options will be undertaken to help inform the electric vehicle charging infrastructure in Central Bedfordshire.

There is further investment to be made in electric vehicle charging infrastructure with £2.9M included in the Medium Term Financial Plan for 2024/25.

## E. Medium Term Financial Plan (MTFP) and Outlook

### MTFP 2024/25–2027/28

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) has increased the Bank of England base rate 14 times since December 2021 to the current level of 5.25%. This combined with inflationary pressures and unfunded additional responsibilities has resulted in the most challenging budget setting process in the Council's history.

Despite the challenges the Council was able to set a balanced budget for 2024/25 and identified significant financial savings for the MTFP period. The 2024/25 budget is balanced by a notable use of reserves, which is anticipated to be repaid over the MTFP period to 2027/28.

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.

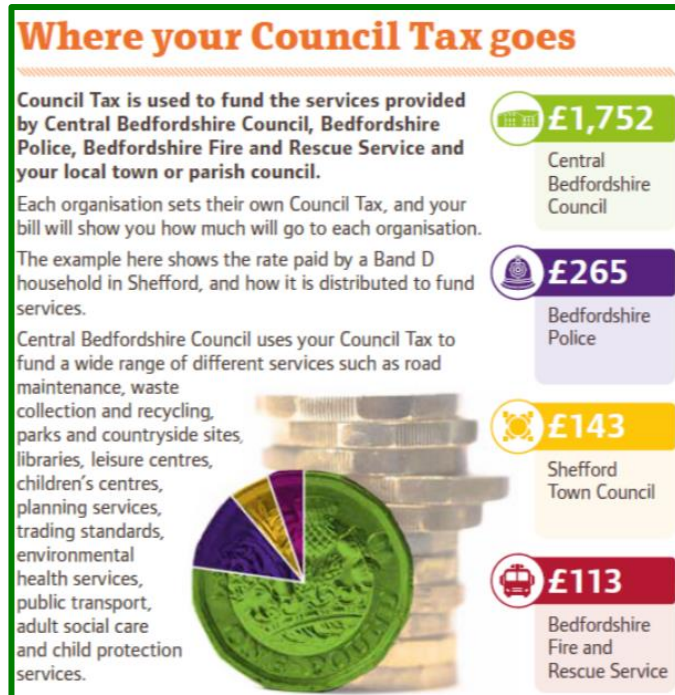
Interest rate forecasts predict that the Bank of England base rate will reduce by up to 0.75% during the 2024 calendar year. This reduction combined with declining inflation, the target is 2%, will improve the Council's financial position substantially.

### Council Tax

The 2024/25 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 2024/25 has grown by 1.69%. 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 £199.7M in 2024/25 to £229.7M in 2027/28.

At the Council meeting on 22 February 2024, a Council Tax increase of 4.99% was agreed. The 2024/25 average Band D Council Tax charge for Central Bedfordshire is £2,273, and this is broken down across the precepting authorities in the diagram overleaf.



## 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. One such business is UniSnacks, which has located its head office in Biggleswade.



*UniSnacks head office, Biggleswade.*

Business Rates growth has been forecast because of new businesses being attracted into the Central Bedfordshire area. Additional business rates income of £6.7M in 2024/25, £3.1M in 2025/26, £4.2M in 2026/27 and £0.4M in 2027/28 has been included in the MTFP.

## Reserves

The Council's General Fund Earmarked reserves at the end of 2023/24 stood at £42.7M and the General Fund balance at £26.4M. Several earmarked reserves are used to support the early years of the MTFP and the Council plans to replenish reserves to the value of £15.8M from 2024/25 to 2027/28.

During 2023/24 there were no draws on the General Fund reserve. All use of reserves has been reversed back out over the life of the Plan, as it is not sustainable to rely on reserves as a source of longer-term funding. Their use is in recognition of the lead-in time for some efficiencies and the need to fund the exceptionally challenging financial position in 2024/25.

Total Earmarked Reserves have reduced by £57.6M (£30.6M reduction in 2022/23) Further analysis of the Earmarked Reserves can be found in Note 9.

## Capital Programme 2024/25 to 2027/28

The Council's Capital Programme was reviewed during 2023/24 and several changes were made. The driving principle was to minimise the revenue impact in future years 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**

### 2023/24 Revenue Outturn

The net revenue budget for 2023/24 was set by the Council at £252.1M (£240.2M in 2022/23). The 31 March 2024 net revenue outturn that will be reported to the Executive meeting in June 2024 was £0.00M (after use of reserves) showing a break-even

position against budget (£0.00M on budget in 2022/23) this is shown in the following table.

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.

<b>Core Service Expenditure</b>	<b>Budget £000's</b>	<b>Outturn £000's</b>	<b>Variance £000's</b>
<b>Net Revenue Expenditure</b>			
Social Care, Health and Housing	97,949	99,629	1,680
Children's Services (excl. schools)	60,536	74,178	13,642
Place and Communities	53,793	55,096	1,303
Public Health	0	0	0
Chief Executive's	3,188	3,430	242
Resources	30,196	30,604	408
Corporate Costs*	6,470	(10,805)	(17,275)
Housing Revenue Account	0	0	0
Schools	0	0	0
<b>Total Net Expenditure</b>	<b>252,132</b>	<b>252,132</b>	<b>0</b>
<b>Core Service Expenditure Funding</b>	<b>Budget £000's</b>	<b>Outturn £000's</b>	<b>Variance £000's</b>
<b>Financed by</b>			
NNDR Collection Fund Deficit	20,686	20,686	0
Section 31 Grant	(32,563)	(32,563)	0
Retained Business Rates	(55,372)	(55,372)	0
Council Tax Collection Fund Deficit	1,784	1,784	0
Council Tax	(186,296)	(186,296)	0
Renewable Energy NNDR	(371)	(371)	0
<b>Total Funding</b>	<b>(252,132)</b>	<b>(252,132)</b>	<b>0</b>

\*Corporate Costs Outturn position includes £2.9M of Household Support Fund income and the release of £9.412M of Earmarked reserves agreed to offset the Council's overspend in year.

## Income Collection

97.50% (97.68%, 2022/23) of Council Tax due in the year was collected and 98.47% (97.15%, 2022/23) of Business Rates due in the year were collected. The Council's collection rates are above the national average, Council Tax 96.0% (2022/23) and Business Rates 96.8% (2022/23). At the time of writing, the 2023/24 national averages had not been released. The collection rates for Business Rates and Council Tax continue to be negatively impacted by the ongoing cost-of-living crisis.

96.58% (96.41%, 2022/23) of housing rents due in the year were collected, which was a slight improvement on the previous year.

## Capital Outturn 2023/24

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 £158.9M in the year ended 31 March 2024 (£128.5M in 2022/23).

The Capital programme also includes £72.0M (£60.1M in 2022/23) 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 2023/24 the total Council Capital programme expenditure (excluding s106 expenditure) was £228.6M (£186.5M in 2022/23), which was £76.7M (£130.4M in 2022/23) less than the budget. The main reasons for the variance in budget are; deferred expenditure of £24.6M in relation to New Vista Homes (NVH), £10.0M relating to Houghton Regis Community Wellbeing hub, £6.7M in relation to Sandy Secondary School, £6.4M in relation to Leighton Buzzard Leisure Centre, £6.3M in relation to New School Places, £5.0M in relation to the M1-A6 scheme and £4.4M in relation to HRA New Build and Acquisitions.

Capital receipts in year amounted to £12.8M (£10.1M in 2022/23).

The following table shows the Council's 2023/24 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.

<b>Gross Capital Expenditure by Directorate</b>	<b>Budget £'000s</b>	<b>Outturn £'000s</b>	<b>Variance £'000s</b>
Children's Services	59,070	33,906	(25,164)
Place and Communities	121,904	121,289	(615)
Resources	23,725	2,796	(20,929)
Social Care, Health and Housing	22,917	21,888	(1,029)
Corporate – investment in NVH	25,600	1,000	(24,600)
HRA	52,077	47,688	(4,389)
<b>Total Gross Expenditure – reported</b>	<b>305,293</b>	<b>228,567</b>	<b>(76,726)</b>
<b>Total including s106</b>	<b>307,618</b>	<b>230,892</b>	<b>(76,726)</b>
<b>Financed by</b>			
Grants and Contributions	(114,843)	(78,972)	35,871
Revenue Contribution	0	(11,403)	(11,403)
Capital Receipts	(32,800)	(12,788)	20,012
Borrowing	(157,650)	(125,404)	32,246
<b>Total Funding</b>	<b>(305,293)</b>	<b>(228,567)</b>	<b>76,726</b>
<b>Total including s106</b>	<b>(307,618)</b>	<b>(230,892)</b>	<b>76,726</b>

## G. Financial Statements

### Explanation of the Main Statements in the Accounts

#### Comprehensive Income and Expenditure Statement (CIES)

This statement, as set out on page 34, 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.

Key items to note:

- Net cost of services has increased by £40.3M to a total of £400.3M (£360.0M in 2022/23). While the service level expenditure has increased (£81.5M) between the years, the income has also seen an increase (£41.2M).
- The net deficit on provision of services has increased by £10.3M between years, with most of the increase relating to financing and investment net expenditure. This has increased from £19.0M to £25.8M owing to the change in interest rates during the year.
- Other Comprehensive Income has reduced by £378.5M largely due to a £330.2M lower remeasurement of the Pension Fund's net defined benefit liability. There was also less of a gain on revaluation of the property, plant, and equipment assets between the years, £49.1M (£2.7M 2023/24 compared with £51.8M in 2022/23).

#### The Movement in Reserves Statement (MIRS)

This Statement, as set out on page 35 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 £57.6M to a total of £78.6M (£136.2M in 2022/23). Of the usable reserves, £46.9M (£42.7M General Fund and £4.2M 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 increased by £53.1M to a total of £1,013.6M (£960.5M in 2022/23). This is primarily due to a £102.0M improvement to the deficit position of the Pension Reserve, offset by a £35.6M reduction in the Capital Adjustment Account.

## The Balance Sheet

The Balance Sheet, as set out on page 37, 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 £64.9M because of significant capital investment in the year, recognising additions of £156.0M compared with £124.0M in 22/23, largely in infrastructure assets and assets under construction – including two care homes, Houghton Regis Wellbeing Hub, and the crematorium.
- There has been a £11.2M increase in the value of long-term debtors, this is a result of deferred capital receipt following the sale of Chase Farm, this money will be received in 2025/26 and 2026/27.

- There has been an increase in the need for short-term borrowing (from £125.8M in 2022/23 to £196.5M in 2023/24). Long term borrowing has also increased, from £323.7M to £411.1M as there has been increased spend by the Council not matched by grant or other income. Further information on our treasury management and borrowing practices are outlined later in this report.
- There has been a £102.0M reduction to the net pension liability (£56.9M in 2023/24 compared to £158.9M in 2022/23) because of higher for longer interest rates and elevated inflation, as well as changes in actuarial assumptions associated with the valuation of the fund. Further information on the pension liability can be found later in the report.
- The value of Capital Grants received in advance has increased by £18.1M to £206.5M in 2023/24 primarily due to an additional £13.5M with regards to section 106 developer contributions and £4.9M for Special Schools' Provision.

## The Cash Flow Statement

The Cash Flow Statement page 38 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 65, 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.

## 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 2023/24 and are being developed in 2024/25. 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 wholly owned housing development and care companies were incorporated in June 2020. The group of companies is headed by The Central Bedfordshire Group (the Group) and incorporates New Vista Homes (NVH), Care is Central (CiC) and a new company, Care is Central Residential (CiCR) which was incorporated in October 2023.

The accounts of the Group, NVH and CiC, along with those of the Council, have been consolidated into a group position and the group statements can be seen on pages 142-154.



In May 2023 Cllrs Eugene Ghent and Carole Hegley resigned from the Boards of the Group, NVH and CiC, following the results of the local election, and in September 2023 the Shareholder appointed Cllrs Mark Smith and Steven Watkins to these Boards.

During the year the Group Board approved updates to the business plans of both CiC and NVH.



CiC has been delivering operational care services for the last two years and operates in seven independent Living Schemes. CiC currently employs around 130 people delivering support and care to a similar number of vulnerable older people.

CiCR will offer care to residents in two care homes that it will lease from the Council, these operations will commence in Autumn 2024.

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.



During 2023 planning approval was obtained for the site as the Courthouse and Ambulance Centre, Dunstable. This development will provide 60 new apartments, 42 for sale and 18 for affordable rent and shared ownership. NVH commenced works on its site at Northwood End Road, Haynes in April 2024.

During March 2024 the Shareholder decided that transfers of land into NVH would be paused but that the development of the site at Northwood End Road, Haynes would continue through to completion. NVH will continue to exist as a company.

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 22 and movements in Property Plant, and Equipment at Note 14. There were no material assets acquired or liabilities incurred during 2023/24.

### **Material and unusual charges or credits**

#### **Academy Transfers**

There was only one school that transferred to Academy status during 2023/24, that was Hockliffe Lower School. This resulted in a net transfer of Property, Plant and Equipment non-current assets valued at £1.884M 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 £29.3M (£27.2M in 2022/23) 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 higher for longer interest rates and elevated inflation. As of 31 March 2024, the Council's net liability reported by the actuary to the LGPS was £56.9M (£158.9M in 2022/23). The fair value of LGPS assets increased over the year to £802.8M (£689.8M in 2022/23) and the value of the obligations to pay pension liabilities increased to £859.7M (£848.7M in 2022/23).

The net pension liability of £56.9M 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 2024 was £7.1M (£8.8M 31 March 2023). 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 2023/24 of £911.9M (£917.8M in 2022/23). Capital receipts received in year amounted to £12.8M (£10.1M in 2022/23). The Council increased the need for short-term borrowing to £196.5M in 2023/24 (£125.8M in 2022/23).

At the end of the financial year, the Council had outstanding long-term external borrowing in place of £411.1M (£323.7M 2022/23) 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.

The directorate outturn position as of March 2024, excluding corporate costs, before any release of the contingency is an overspend of £16.2M. £6.8M of contingency was released alongside £9.4M Earmarked Reserves. There were several other underspends and income streams which offset unachieved efficiencies to result in the overall Council overspend of £16.2M, which excludes Corporate Costs and the release of £2.9M of Household Support Fund.

The cost-of-living crisis began in late 2021, caused predominantly by high inflation outstripping salary and benefit increases. Inflation is tracked using CPI, the latest data shows that in the year to March 2024 CPI stood at 3.2%, with a 41-year high in October 2022 of 11.1%. The Bank of England target for inflation is 2%. In a bid to control inflation, the Monetary Policy Committee has repeatedly voted to increase the Bank of England base rate. Interest rates rose in the year from 4.25% in April 2023 to 5.25% in August 2023, which is where they continued to be at the year end. Interest rates are expected to slowly start to come down from Autumn 2024. An inflation reserve was created in 2021/22 to offset the effects of interest rates and £4.6M was drawn upon to mitigate the overspend in 2023/24, leaving a further £3.5M for future years.

As part of developing the 2024–2028 MTFP, these factors were recognised and a significant emphasis was placed on accurately forecasting inflationary pressures which were to be built into the 2024/25 budget. The result being a closed budget gap and the replenishment of reserves over the period of £15.8M. The balanced position reported in 2023/24, alongside the Earmarked Reserves position highlighted below for 2024/25 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 2023/24.

Forecast Reserves 2022-27	Year-end balance 2023/24 (£M)	Forecast balance as of 31 March (£M)			
		2024/25	2025/26	2026/27	2027/28
General Fund Reserves	26.4	26.4	26.4	26.4	26.4
Earmarked Reserves	42.7	27.6	21.8	25.7	37.6
HRA Reserves – including earmarked	9.2	6.5	5.2	5.0	5.0
<b>Total</b>	<b>78.3</b>	<b>60.5</b>	<b>53.4</b>	<b>57.1</b>	<b>69.0</b>

The Council has undertaken cash flow modelling through to March 2026 which demonstrates the Council's ability to work within its Capital Financing Requirement and cash management framework, with a minimum headroom of £200M.

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 £8M as of 31 March 2026 and the ability for short-term borrowing under the approved Treasury Management Strategy of up to £1,001.2M. This demonstrates that the Council has sufficient liquidity over the period, assuming forecast average short-term borrowings of £225M. 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. This process has been underway for some time and a financial sustainability plan was discussed with the Corporate Management Team in April 2024.

### Significant provisions or contingencies and material write-offs

There were £11.2M of provisions on 31 March 2024 (£8.0M 2022/23), 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 £3.6M on 31 March 2024 (£2.9M 2022/23) and reflects the Council's share of the total provision made within the Collection Fund in respect of business rate appeals. A further £2.3M (£2.2M 2022/23) 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 (£2.6M in 2022/23) 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 20 November 2024. 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 2024, 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 2023/24 accounts showing a balanced position. This will support the Council in meeting the financial challenges, including the continued effects of the cost-of-living crisis, of 2024/25 and beyond.

Whilst a balanced budget has been set for 2024/25 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 2024/25 and beyond is highly challenging given the unprecedented level of inflation although interest rates are set to reduce albeit slightly. 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 & Section 151 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:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. 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 2023/24 (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 31<sup>st</sup> March 2024 and its income and expenditure for the year ended 31<sup>st</sup> March 2024.



**Councillor Nigel Carnell – Chair of Audit Committee**



**Denis Galvin, Director of Finance (s151 Officer)**  
**20<sup>th</sup> November 2024**

# **CORE FINANCIAL STATEMENTS 2023/24**

# 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.

2022/23				2023/24			
Expenditure	Income	Net		Expenditure	Income	Net	
£000	£000	£000	Notes	£000	£000	£000	
143,916	(50,803)	93,113		168,164	(58,965)	109,199	
			Social Care, Health, and Housing				
148,749	(46,768)	101,981		173,183	(55,212)	117,971	
			Children's Services				
139,833	(31,808)	108,025		157,076	(37,876)	119,200	
			Place and Communities				
17,040	(17,142)	(101)		20,418	(20,793)	(375)	
			Public Health				
4,014	(454)	3,560		4,620	(289)	4,331	
			Chief Executive's				
85,203	(50,358)	34,845		88,839	(51,415)	37,424	
			Resources				
7,341	(12,325)	(4,984)		4,718	(9,264)	(4,546)	
			Corporate Costs				
130,907	(124,818)	6,088		141,029	(138,096)	2,933	
			Schools				
52,032	(34,544)	17,488		52,499	(38,341)	14,158	
			Landlord Business (HRA)				
<b>729,035</b>	<b>(369,020)</b>	<b>360,015</b>	<b>Cost of services</b>	<b>810,546</b>	<b>(410,251)</b>	<b>400,295</b>	
19,670	(4,013)	15,657	10	20,123	(4,653)	15,470	
			Other operating expenditure				
19,989	(975)	19,014	11	27,717	(1,918)	25,799	
			Financing and investment income and expenditure				
38,530	(342,539)	(304,009)	12	19,841	(360,435)	(340,594)	
			Taxation and non-specific grant income and expenditure				
<b>807,224</b>	<b>(716,548)</b>	<b>90,676</b>	<b>13</b>	<b>878,227</b>	<b>(777,257)</b>	<b>100,970</b>	
			<b>(Surplus) / Deficit on provision of services</b>				
		(51,764)	23			(2,708)	
			(Surplus) or deficit on revaluation of property, plant, and equipment assets				
		1,043	23			344	
			(Surplus) or deficit on revaluation of financial instruments at fair value through other comprehensive income and expenditure				
		(424,263)	40			(94,094)	
			Remeasurement of the net defined benefit liability				
		<b>(474,983)</b>	<b>Other comprehensive income and expenditure</b>			<b>(96,458)</b>	
		<b>(384,307)</b>	<b>Total comprehensive income and expenditure</b>			<b>4,512</b>	

## MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the 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 £000
<b>Balance as of 31 March 2023</b>	<b>(120,784)</b>	<b>(15,129)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(136,209)</b>	<b>(960,451)</b>	<b>(1,096,660)</b>
<b>Movement in reserves during 2023/24</b>								
Total Comprehensive Income and Expenditure	85,946	15,024	0	0	0	<b>100,970</b>	(96,458)	<b>4,512</b>
Adjustments between accounting basis and funding basis under regulations – Note 8	(34,231)	(9,092)	0	0	0	<b>(43,323)</b>	43,323	<b>0</b>
<b>(Increase) / Decrease in 2023/24</b>	<b>51,715</b>	<b>5,932</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,647</b>	<b>(53,135)</b>	<b>4,512</b>
<b>Balance as of 31 March 2024</b>	<b>(69,069)</b>	<b>(9,197)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(78,562)</b>	<b>(1,013,586)</b>	<b>(1,092,148)</b>

	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 £000
<b>Balance as of 31 March 2022</b>	<b>(144,564)</b>	<b>(18,897)</b>	<b>(355)</b>	<b>(200)</b>	<b>(1,324)</b>	<b>(165,340)</b>	<b>(547,013)</b>	<b>(712,353)</b>
<b>Movement in reserves during 2022/23</b>								
Total Comprehensive Income and Expenditure	76,023	14,653	0	0	0	<b>90,676</b>	(474,983)	<b>(384,307)</b>
Adjustments between accounting basis and funding basis under regulations – Note 8	(52,243)	(10,885)	355	200	1,028	<b>(61,545)</b>	61,545	<b>0</b>
<b>(Increase) / Decrease in 2022/23</b>	<b>23,780</b>	<b>3,768</b>	<b>355</b>	<b>200</b>	<b>1,028</b>	<b>29,131</b>	<b>(413,438)</b>	<b>(384,307)</b>
<b>Balance as of 31 March 2023</b>	<b>(120,784)</b>	<b>(15,129)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(136,209)</b>	<b>(960,451)</b>	<b>(1,096,660)</b>

## 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 2023			31 March 2024
£000	Notes		£000
1,879,687	14	Property, Plant and Equipment	1,944,610
12,780	15	Intangible Assets	11,485
9,642	16	Long-Term Investments	11,098
19	16a	Long-Term Debtors	11,259
<b>1,902,128</b>		<b>Long-Term Assets</b>	<b>1,978,452</b>
3,083	16	Short-Term Investments	146
100,435	17	Short-Term Debtors	95,241
8,762	18	Cash and Cash Equivalents	7,288
<b>112,280</b>		<b>Current Assets</b>	<b>102,675</b>
(125,753)	16	Short-Term Borrowing	(196,490)
(99,541)	20	Short-Term Creditors	(93,733)
(8,009)	21	Provisions	(11,233)
<b>(233,303)</b>		<b>Current Liabilities</b>	<b>(301,456)</b>
(323,669)	16	Long-Term Borrowing	(411,141)
(171,876)	37/40	Other Long-Term Liabilities	(69,296)
(188,396)	33	Grants Receipts in Advance - Capital	(206,467)
(504)	16a	Long-Term Creditors	(619)
<b>(684,445)</b>		<b>Long-Term Liabilities</b>	<b>(687,523)</b>
<b>1,096,660</b>		<b>Net Assets</b>	<b>1,092,148</b>
(136,209)	22	Usable Reserves	(78,562)
(960,451)	23	Unusable Reserves	(1,013,586)
<b>(1,096,660)</b>		<b>Total Reserves</b>	<b>(1,092,148)</b>

## 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.

2022/23			2023/24
£000	Notes		£000
90,676		Net (surplus) or deficit on the provision of services	100,970
(83,041)	24	Adjustment to surplus or deficit on the provision of services for noncash movements	(70,736)
81,770	24	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	110,968
<b>89,405</b>		<b>Net cash flows from operating activities</b>	<b>141,202</b>
22,957	25	Net cash flows from investing activities	41,906
(84,547)	26	Net cash flows from financing activities	(181,634)
<b>27,815</b>		<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>1,474</b>
36,577		Cash and cash equivalents at the beginning of the reporting period	8,762
<b>8,762</b>		<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,288</b>

These financial statements replace the unaudited financial statements presented to the meeting of the Audit Committee on 24 May 2024 and signed on 24 May 2024.

Authorised for issue 20<sup>th</sup> November 2024



D Galvin

Director of Finance (s151 Officer)

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# 1. ACCOUNTING POLICIES

## i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, 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 on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in Financing and Investment Income and Expenditure for the income that might not be collected.

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

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

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

#### 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 pensions liability is analysed into the following components:

Service cost comprising:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked;
- past service cost – the increase in liabilities as a result 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 as part of Corporate Costs;
- 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 on the basis of 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 as a result 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 of 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 as a result 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). 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

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### - The Council as Lessee

#### Finance Leases

As of 31 March 2024, the Council has not taken any finance leases.

## Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense to the services benefiting from use of the leased property, plant, or equipment (PPE). Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

- The Council as Lessor

## Finance Leases

As of 31 March 2024, the Council has not leased out any assets whereby the Council would be lessor that meet the definition of a finance lease.

## 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, 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 accruals basis, provided that 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.

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 in excess of £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)

2023/24 was the 18<sup>th</sup> 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 (the profile of write-downs is calculated using the same principles as for a finance lease);

- 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, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all 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 to manage the accounting processes for Non-Current Assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in 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, assuming that 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 probable 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.

There have been several changes to international accounting standards which have been adopted by the 2024/25 CIPFA Code of Practice but not by the 2023/24 Code. The Council will therefore adopt these changes from 1 April 2024.

The accounting changes introduced in the 2024/25 Code and relevant to the Council relate to:

- **IFRS 16 Leases** issued in January 2016 (but only those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).

- **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period.
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement.
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)** issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- **Non-current Liabilities with Covenants (Amendments to IAS 1)** issued in October 2022. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- **International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)** issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The International Accounting Standards Board (IASB) developed the new requirements to provide users of financial statements with information to enable them to:
  - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

It is not anticipated that any of 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 2023/24 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.

#### **Deposits or investments with financial institutions**

The Council has no deposits with any financial institutions that are in administration and has no evidence at the Balance Sheet date to suggest any treasury investment counterparties of the Council will enter administration.

#### **Controlling influence with other organisations**

The Council is deemed to control its wholly owned subsidiary companies of New Vista Homes Limited (NVH) and Care Is Central Limited (CIC), 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.

#### **Leases at peppercorn or minimal payments**

The Council has several leases where the land element of the asset is leased at peppercorn or minimal rent. These leases may be of a significant length which may potentially render the lease a finance lease under accounting rules. However, where assets are valued in their existing use under accounting regulations, a key determinant of value is the amount of lease payments and as these are of immaterial rental amounts, the Council has not considered such agreements as finance leases.

Lease arrangements where the Council is the lessee or lessor are assessed to determine whether the lease is a finance lease or an operating lease. Lease arrangements which are not financially material are all treated as operating leases.

### **Insurance**

The Council's Insurance Reserve is reviewed annually and maintained at a level on advice from a professional actuary following a risk assessment.

### **Investment Properties**

Investment properties are those that are held 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. For example, the Council holds property to promote local employment, and support the Council's housing and sustainability plans.

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

### **Inventories**

Inventories held by the Council are not financially material in value and therefore are not separately disclosed in the accounting statements.

### **Trading Operations**

Trading Operations are not financially material in value and therefore are not separately disclosed in the accounting statements.

### **Heritage Assets**

Heritage Assets held by the Council are not financially material in value and therefore are not separately disclosed from Property, Plant and Equipment.

## **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 taking into account 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 2024 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 £4.3M.

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 £0.569M charged to the Comprehensive Income and Expenditure Statement, reversed out to the Pension Reserve as per regulations.

## Arrears

As of 31 March 2024, the Council had a balance of customer debtors for £22.276M. A review of significant balances suggested that an impairment of doubtful debts of £4.322M 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 £0.432M to set aside as an allowance.

## Non-Domestic Rates (NDR) Appeals

The Council has set aside a provision of £3.589M 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 £0.359M 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 2023/24 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 2023/24 (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 2026, 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
31/3/2024	£26.383M	£42.686M	£5.000M	£4.197M

The expected General Fund Balance and General Fund Earmarked Reserves position has a predicted balance of £26.383M and £27.590M respectively as of 31 March 2026. This remains above our minimum level of General Fund balances as set by the Council’s Deputy Chief Executive and Director of Resources.

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 £24.9M of savings, the continuation of the existing Business Rates Retention system, reduced

reliance on New Homes Bonus as an income source in 2024/25. 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 Hockliffe Lower School converted to Academy status in 2023/24 which resulted in a transfer of Property, Plant and Equipment valued at £1.884M 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:

- East London NHS Foundation Trust - for the provision of community health services (£13.619M)
- FCC Environment Services (UK) Ltd - for the provision of waste collection and street cleansing services (£13.358M)
- Matrix SCM Ltd - for the supply of temporary agency staff (£13.264M)
- Veolia Environmental Services – for the provision of waste disposal services (£7.823M).

## **6. EVENTS AFTER THE BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Director of Finance (s151 Officer) on 20 November 2024. 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 2024, 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	2022/23		Net Expenditure in the Comprehensive Income and Expenditure Statement	2023/24		Net Expenditure in the Comprehensive Income and Expenditure Statement
	Adjustments			Adjustments		
£000	£000	£000	£000	£000	£000	£000
88,618	4,495	93,113	Social Care, Health & Housing	105,872	3,327	109,199
62,876	39,105	101,981	Children's Services	74,896	43,076	117,971
55,259	52,766	108,025	Place and Communities	54,913	64,287	119,201
(107)	6	(101)	Public Health	(313)	(62)	(375)
3,522	37	3,559	Chief Executive	4,473	(142)	4,331
30,312	4,533	34,845	Resources	33,363	4,060	37,423
2,608	(7,592)	(4,984)	Corporate Costs	(1,727)	(2,819)	(4,546)
2,461	3,628	6,089	Schools	1,580	1,353	2,933
(1,019)	18,507	17,488	Landlord Business (HRA)	(368)	14,526	14,158
<b>244,530</b>	<b>115,485</b>	<b>360,015</b>	<b>Net Cost of Services</b>	<b>272,689</b>	<b>127,606</b>	<b>400,295</b>
(216,981)	(52,358)	(269,339)	Other Income and Expenditure	(215,042)	(84,283)	(299,325)
<b>27,549</b>	<b>63,127</b>	<b>90,676</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>57,647</b>	<b>43,323</b>	<b>100,970</b>
		(163,462)	Opening Combined General Fund and HRA Balance			(135,913)
		27,549	Plus / less Surplus or Deficit on the General Fund and HRA Balance for the Year (Statutory basis)			57,647
		<b>(135,913)</b>	<b>Closing Combined General Fund and HRA Balance</b>			<b>(78,266)</b>

## 7a. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

	Adjustments for capital purposes £000	Net change for pension adjustments £000	2023/24 Other statutory differences £000	Total adjustments £000
Social Care, Health & Housing	4,830	(1,595)	92	3,327
Children's Services	34,271	(1,984)	10,788	43,075
Place and Communities	66,012	(1,782)	57	64,287
Public Health	0	(63)	2	(61)
Chief Executive	0	(148)	6	(142)
Resources	5,190	(1,220)	90	4,060
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
<b>Net Cost of Services</b>	<b>140,263</b>	<b>(13,696)</b>	<b>1,039</b>	<b>127,606</b>
Other Income and Expenditure	(82,257)	5,778	(7,804)	(84,283)
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>58,006</b>	<b>(7,918)</b>	<b>(6,765)</b>	<b>43,323</b>

	Adjustments for capital purposes	Net change for pension adjustments	2022/23 Other statutory differences	Total adjustments
	£000	£000	£000	£000
Social Care, Health & Housing	4,307	226	(38)	4,495
Children's Services	33,438	261	5,406	39,105
Place and Communities	53,730	243	(1,207)	52,766
Public Health	0	7	(1)	6
Chief Executive	0	23	14	37
Resources	4,440	145	(52)	4,533
Corporate Costs	0	3	(7,595)	(7,592)
Schools	2,407	1,029	192	3,628
Landlord Business (HRA)	25,668	72	(7,233)	18,507
<b>Net Cost of Services</b>	<b>123,990</b>	<b>2,009</b>	<b>(10,514)</b>	<b>115,485</b>
Other Income and Expenditure	(71,589)	6,846	12,385	(52,358)
<b>Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement</b>	<b>52,401</b>	<b>8,855</b>	<b>1,871</b>	<b>63,127</b>

### 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:

2022/23				2023/24		
Revenue from external customers £000	Interest revenue £000	Total £000		Revenue from external customers £000	Interest revenue £000	Total £000
(18,268)	0	<b>(18,268)</b>	Social Care, Health & Housing	(21,453)	0	<b>(21,453)</b>
(3,293)	0	<b>(3,293)</b>	Children's Services	(3,881)	0	<b>(3,881)</b>
(16,377)	0	<b>(16,377)</b>	Place and Communities	(17,568)	0	<b>(17,568)</b>
(5,380)	0	<b>(5,380)</b>	Public Health	(5,843)	0	<b>(5,843)</b>
(2,861)	(1)	<b>(2,862)</b>	Resources	(2,930)	(169)	<b>(3,099)</b>
(96)	(827)	<b>(923)</b>	Corporate Costs	(113)	(1,749)	<b>(1,862)</b>
(3,306)	(147)	<b>(3,453)</b>	HRA	(4,269)	0	<b>(4,269)</b>
<b>(49,581)</b>	<b>(975)</b>	<b>(50,556)</b>	<b>Total</b>	<b>(56,057)</b>	<b>(1,918)</b>	<b>(57,975)</b>

## **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.

<b>2023/2024</b>	<b>General Fund Balance</b>	<b>Housing Revenue Account</b>	<b>Capital Receipts Reserve</b>	<b>Major Repairs Reserve</b>	<b>Capital Grants Unapplied Account</b>	<b>Movement in Unusable Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Adjustments to the Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension cost (transferred to (or from) the Pensions Reserve)	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
<b>Total Adjustments to Revenue Resources</b>	<b>(63,285)</b>	<b>(21,112)</b>				<b>84,397</b>

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 / loss 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)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>29,054</b>	<b>12,020</b>	<b>(12,788)</b>	<b>(7,367)</b>		<b>(20,919)</b>
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
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>0</b>	<b>12,788</b>	<b>7,367</b>	<b>0</b>	<b>(20,155)</b>
<b>Total Adjustments</b>	<b>(34,231)</b>	<b>(9,092)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,323</b>

2022/2023	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)	(8,537)	(318)				8,855
Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	(12,346)					12,346
Holiday pay (transferred to the Accumulated Absences Reserve)	(100)					100
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)	(46,776)	(21,791)				68,567
<b>Total Adjustments to Revenue Resources</b>	<b>(67,759)</b>	<b>(22,109)</b>				<b>89,868</b>
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	5,745	4,013	(9,758)			
Posting of HRA resources from revenue to the Major Repairs Reserve		7,211		(7,211)		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	7,555					(7,555)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,216					(2,216)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>15,516</b>	<b>11,224</b>	<b>(9,758)</b>	<b>(7,211)</b>		<b>(9,771)</b>

Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure			10,113			(10,113)
Use of the Major Repairs Reserve to finance capital expenditure				7,411		(7,411)
Application of capital grants to finance capital expenditure					1,028	(1,028)
<hr/>						
Total Adjustments to Capital Resources			10,113	7,411	1,028	(18,552)
<hr/>						
<b>Total Adjustments</b>	<b>(52,243)</b>	<b>(10,885)</b>	<b>355</b>	<b>200</b>	<b>1,028</b>	<b>61,545</b>
<hr/>						

## 9. TRANSFERS TO/FROM 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 2023/24.

	Balance 1 April 2022	Transfers In 2022/23	Transfers Out 2022/23	Balance 31 March 2023	Transfers In 2023/24	Transfers Out 2023/24	Balance 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>							
Insurance Reserve	(3,613)	(903)	937	(3,579)	(1,028)	1,641	(2,966)
Corporate Reserve	(83,775)	(17,785)	37,710	(63,850)	(9,163)	48,934	(24,079)
Children's Services Reserve	(299)	(30)	0	(329)	0	329	0
Social Care, Health, and Housing Reserve	(6,513)	(2,137)	1,280	(7,369)	(1,656)	5,277	(3,748)
Public Health Reserve	(3,331)	0	393	(2,938)	(313)	1,000	(2,251)
Schools Reserve	(8,008)	(6,251)	8,046	(6,213)	(4,981)	6,213	(4,981)
Resources Reserve	(1,347)	(782)	0	(2,129)	(251)	793	(1,587)
Loan Modification Reserve	(2,570)	0	517	(2,053)	0	478	(1,575)
Place and Communities Reserve	(8,558)	(5,185)	7,970	(5,773)	(464)	4,738	(1,499)
Chief Executive Reserve	(168)	0	0	(168)	0	168	0
<b>Total</b>	<b>(118,181)</b>	<b>(33,073)</b>	<b>56,853</b>	<b>(94,401)</b>	<b>(17,856)</b>	<b>69,571</b>	<b>(42,686)</b>
<b>Housing Revenue Account</b>							
Independent Living Development Reserve	(3,330)	0	3,330	0	0	0	0
Strategic Reserve	(13,148)	0	3,527	(9,621)	0	6,077	(3,544)
Life Cycle Replacement Reserve	(419)	(89)	0	(508)	(145)	0	(653)
<b>Total</b>	<b>(16,897)</b>	<b>(89)</b>	<b>6,857</b>	<b>(10,129)</b>	<b>(145)</b>	<b>6,077</b>	<b>(4,197)</b>

## 10. OTHER OPERATING EXPENDITURE

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
14,384	Parish council precepts	15,535
850	Levies	895
(4,730)	(Gains)/losses on the disposal of non-current assets	(2,844)
5,153	Loss on transfer of school assets to Academies	1,884
<b>15,657</b>	<b>Total</b>	<b>15,470</b>

## 11. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
13,143	Interest payable and similar charges	21,939
6,846	Net interest on the net defined benefit liability (asset)	5,778
(975)	Interest receivable and similar income	(1,918)
<b>19,014</b>	<b>Total</b>	<b>25,799</b>

## 12. TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
(193,405)	Council tax income	(200,785)
(39,819)	Non-domestic rates income and expenditure	(40,924)
1,227	Non-ringfenced government grants	(17,588)
(72,012)	Capital grants and contributions	(81,297)
<b>(304,009)</b>	<b>Total</b>	<b>(340,594)</b>

## 13. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

2022/23 £000		2023/24 £000
	<b>Expenditure</b>	
224,451	Employee benefit expenses	229,426
611,009	Other service expenses	673,913
(63,882)	Depreciation, amortisation, and impairment	(68,299)
19,989	Interest payments	27,717
15,234	Precepts and levies	16,430
423	Loss / (gain) on the disposal of assets	(960)
<b>807,224</b>	<b>Total expenditure</b>	<b>878,227</b>
	<b>Income</b>	
(49,581)	Sales, fees, and charges	(56,057)
(104,719)	Other service income	(125,663)
(975)	Interest and investment income	(1,918)
(233,224)	Income from council tax and non-domestic rates	(241,709)
(328,049)	Government grants and contributions	(351,909)
<b>(716,548)</b>	<b>Total income</b>	<b>(777,257)</b>
<b>90,676</b>	<b>(Surplus) or deficit on the provision of services</b>	<b>100,970</b>

## 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
<b>Cost or valuation</b>								
<b>At 1 April 2023</b>	<b>621,699</b>	<b>706,544</b>	<b>54,755</b>	<b>524,219</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>2,081,533</b>
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
<b>At 31 March 2024</b>	<b>617,538</b>	<b>743,632</b>	<b>54,346</b>	<b>574,704</b>	<b>2,248</b>	<b>62,418</b>	<b>112,583</b>	<b>2,167,470</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2023</b>	<b>0</b>	<b>(175)</b>	<b>(34,869)</b>	<b>(166,802)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(201,846)</b>
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
<b>At 31 March 2024</b>	<b>0</b>	<b>(453)</b>	<b>(37,582)</b>	<b>(184,825)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(222,860)</b>
<b>Net book value</b>								
<b>At 31 March 2024</b>	<b>617,538</b>	<b>743,179</b>	<b>16,764</b>	<b>389,879</b>	<b>2,248</b>	<b>62,418</b>	<b>112,583</b>	<b>1,944,610</b>
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,369</b>	<b>19,886</b>	<b>357,417</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>1,879,687</b>

	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
<b>Cost or valuation</b>								
<b>At 1 April 2022</b>	<b>608,073</b>	<b>657,815</b>	<b>54,584</b>	<b>495,848</b>	<b>1,968</b>	<b>90,337</b>	<b>46,911</b>	<b>1,955,537</b>
Additions	16,627	12,487	2,740	28,371	64	4,310	59,440	<b>124,039</b>
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(5,168)	32,085			111	8,564		<b>35,592</b>
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(18,141)	(5,017)			28	30		<b>(23,100)</b>
Derecognition – disposals	(2,508)	(7,277)	(2,569)			(54)	(76)	<b>(12,484)</b>
Assets reclassified (to)/from Held for Sale						1,950		<b>1,950</b>
Other movements in cost or valuation	22,816	16,451				(3,248)	(36,019)	<b>0</b>
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,544</b>	<b>54,755</b>	<b>524,219</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>2,081,533</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2022</b>	<b>0</b>	<b>(96)</b>	<b>(32,055)</b>	<b>(149,837)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(181,988)</b>
Depreciation charge	(7,094)	(8,820)	(5,181)	(16,965)	0	(11)	0	<b>(38,071)</b>
Depreciation written out to the Revaluation Reserve	7,070	8,741				11		<b>15,822</b>
Derecognition – disposals	24		2,367					<b>2,391</b>
<b>At 31 March 2023</b>	<b>0</b>	<b>(175)</b>	<b>(34,869)</b>	<b>(166,802)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(201,846)</b>
<b>Net book value</b>								
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,369</b>	<b>19,886</b>	<b>357,417</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>1,879,687</b>
<b>At 31 March 2022</b>	<b>608,073</b>	<b>657,719</b>	<b>22,529</b>	<b>346,010</b>	<b>1,968</b>	<b>90,337</b>	<b>46,911</b>	<b>1,773,547</b>

## 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 2023/24 (or earlier). Future year capital commitments are £62.5M as of 31 March 2024 (£132.9M as of 31 March 2023). The major commitments are:

- Sandy Secondary School - £3.4M
- Houghton Regis Community Wellbeing Hub - £12.1M
- Steppingley Road, Flitwick, Independent Living - £10.1M
- Honeysuckle Care Home, Flitwick - £8.9M
- Wixams schools - £28.0M.

## 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.

	<b>Council Dwellings £000</b>	<b>Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture &amp; Equipment £000</b>	<b>Infrastructure Assets £000</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
Carried at historical cost			16,764	389,879			112,584	<b>519,227</b>
Valued at current value as at:								
31 March 2024	617,538	194,489			30	40,973		<b>853,030</b>
31 March 2023		202,528				5,339		<b>207,867</b>
31 March 2022		97,254			601	5,060		<b>102,915</b>
31 March 2021		148,843				7,784		<b>156,627</b>
31 March 2020		100,065			1,617	3,262		<b>104,944</b>
<b>Total cost or valuation</b>	<b>617,538</b>	<b>743,179</b>	<b>16,764</b>	<b>389,879</b>	<b>2,248</b>	<b>62,418</b>	<b>112,584</b>	<b>1,944,610</b>

## 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 £2.8M charged to revenue in 2023/24 (£2.4M in 2022/23) 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:

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
	Balance at start of year:	
21,920	Gross carrying amounts	25,142
(10,001)	Accumulated amortisation	(12,362)
<b>11,919</b>	<b>Net carrying amount at start of year</b>	<b>12,780</b>
3,310	Additions	1,887
(88)	Disposals	(377)
(2,361)	Amortisation for the period	(2,805)
<b>12,780</b>	<b>Net carrying amount at end of year</b>	<b>11,485</b>
	Comprising:	
25,142	Gross carrying amounts	26,652
(12,362)	Accumulated amortisation	(15,167)
<b>12,780</b>	<b>Total</b>	<b>11,485</b>

## 16. FINANCIAL INSTRUMENTS

### Non-Current Financial Assets

	Investments		Debtors		Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	
	£000	£000	£000	£000	
Fair value through profit and loss	7,192	6,848	0	0	6,848
Amortised cost	2,450	4,250	19	11,259	15,509
<b>Total financial assets</b>	<b>9,642</b>	<b>11,098</b>	<b>19</b>	<b>11,259</b>	<b>22,357</b>

### Current Financial Assets

	Investments		Debtors		Cash		Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	
	£000	£000	£000	£000	£000	£000	
Fair value through profit and loss	0	0	0	0	10,100	17,765	17,765
Amortised cost	3,083	146	28,092	36,063	(1,338)	(10,624)	25,585
<b>Total financial assets</b>	<b>3,083</b>	<b>146</b>	<b>28,092</b>	<b>36,063</b>	<b>8,762</b>	<b>7,141</b>	<b>43,350</b>

### Non-Current Financial Liabilities

	Borrowings		Creditors		Other long-term liabilities		Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	
	£000	£000	£000	£000	£000	£000	
Amortised cost	(323,669)	(411,141)	(504)	(619)	(12,949)	(12,381)	(424,141)
<b>Total financial liabilities</b>	<b>(323,669)</b>	<b>(411,141)</b>	<b>(504)</b>	<b>(619)</b>	<b>(12,949)</b>	<b>(12,381)</b>	<b>(424,141)</b>

### Current Financial Liabilities

	Borrowings		Creditors		Total
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	
	£000	£000	£000	£000	
Amortised cost	(125,754)	(196,489)	(67,018)	(72,703)	(269,193)
<b>Total financial liabilities</b>	<b>(125,754)</b>	<b>(196,489)</b>	<b>(67,018)</b>	<b>(72,703)</b>	<b>(269,193)</b>

## Income, Expense, Gains and Losses

	31 March 2023		31 March 2024	
	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
<b>Net (gains)/losses on:</b>				
• financial assets measured at fair value through other comprehensive income	1,043	0	344	0
<b>Total net (gains)/losses</b>	<b>1,043</b>	<b>0</b>	<b>344</b>	<b>0</b>
<b>Interest revenue:</b>				
• financial assets measured at amortised cost	(264)		(463)	
• other financial assets measured at fair value through other comprehensive income	(711)		(1,455)	
<b>Total interest revenue</b>	<b>(975)</b>		<b>(1,918)</b>	
<b>Interest expense</b>	<b>13,125</b>		<b>21,797</b>	
<b>Fee expense:</b>				
• financial assets or financial liabilities that are not at fair value through profit or loss	18		143	
<b>Total fee expense</b>	<b>18</b>		<b>143</b>	

## 16a. FINANCIAL INSTRUMENTS – FAIR VALUE

### Financial Assets Measured at Fair Value

#### Recurring Fair Value Measurements:

		31 March 2023	31 March 2024
	Level	£000	£000
Lime Fund	1	5,516	5,172
Money Market Funds	1	10,100	17,765
Pathfinder Legal Services Ltd	3	475	475
New Vista Homes Ltd	3	1,201	1,201
<b>Balance 31 March</b>		<b>17,292</b>	<b>24,613</b>

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

### Financial Liabilities

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial liabilities held at amortised cost	(449,422)	(357,156)	(607,630)	(521,002)
Long-term creditors	(504)	(504)	(619)	(619)
PFI and finance lease liabilities	(13,737)	(22,801)	(12,949)	(22,178)
<b>Total</b>	<b>(463,663)</b>	<b>(380,461)</b>	<b>(621,198)</b>	<b>(543,799)</b>

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 than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions as of 31 March 2024) arising from a commitment to pay interest to lenders below current market rates.

### Financial Assets

	31 March 2023		31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Assets held at Amortised Cost	5,533	5,494	4,396	4,389
Long-Term Debtors	19	19	11,259	11,259
<b>Total</b>	<b>5,552</b>	<b>5,513</b>	<b>15,655</b>	<b>15,648</b>

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

## 17. DEBTORS

31 March 2023		31 March 2024
£000		£000
28,092	Trade receivables	36,063
9,337	Prepayments	* 23,070
63,006	Other receivable amounts	36,108
<b>100,435</b>	<b>Total</b>	<b>95,241</b>

\* The prepayments figure as of 31 March 2024 of £23.1M includes a £14.6M 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 2023		31 March 2024
£000		£000
2,051	Less than three months	1,760
2,051	Three to six months	1,760
4,102	Six months to one year	3,520
10,873	More than one year	11,702
<b>19,077</b>	<b>Total</b>	<b>18,742</b>

## 18. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2023		31 March 2024
£000		£000
(2,634)	Cash and bank balances	(10,511)
10,100	Short-term investments	17,765
1,296	Short-term deposits	34
<b>8,762</b>	<b>Total Cash and Cash Equivalents</b>	<b>7,288</b>

## 19. ASSETS HELD FOR SALE

Current 31 March 2023 £000		Current 31 March 2024 £000
1,950	Balance outstanding at start of year	0
(1,950)	Assets declassified as held for sale	0
<b>0</b>	<b>Balance outstanding at year-end</b>	<b>0</b>

## 20. CREDITORS

31 March 2023 £000		31 March 2024 £000
(67,018)	Trade payables	(72,703)
(32,523)	Other payables	(21,030)
<b>(99,541)</b>	<b>Total</b>	<b>(93,733)</b>

## 21. PROVISIONS

### Current provisions

	Insurance provision £000	Business rates appeals £000	Landlord business (HRA) £000	Other provisions £000	Total £000
<b>Balance 1 April 2023</b>	<b>(2,228)</b>	<b>(2,885)</b>	<b>(2,557)</b>	<b>(339)</b>	<b>(8,009)</b>
Additional provisions made in 2023/24	(1,483)	(2,438)	(1,820)	(3,160)	(8,901)
Amounts used in 2023/24	327	1,734	2,557	0	4,618
Unused amounts reversed in 2023/24	1,059	0	0	0	1,059
<b>Balance 31 March 2024</b>	<b>(2,325)</b>	<b>(3,589)</b>	<b>(1,820)</b>	<b>(3,499)</b>	<b>(11,233)</b>

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 injury 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 several specific ongoing legal cases and payment obligations in Adult Social Care.

## 22. USABLE RESERVES

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

31 March 2023 £000		31 March 2024 £000
(120,784)	General Fund Balance	(69,069)
(15,129)	Housing Revenue Account Balance	(9,197)
(296)	Capital Grants Unapplied Account	(296)
<b>(136,209)</b>	<b>Total</b>	<b>(78,562)</b>

### 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 2023 £000		31 March 2024 £000
<b>(144,564)</b>	<b>Balance 1 April</b>	<b>(120,784)</b>
76,023	Total Comprehensive Income and Expenditure	85,946
(52,243)	Adjustments between accounting basis and funding basis under regulations – Note 8	(34,231)
<b>(120,784)</b>	<b>Total</b>	<b>(69,069)</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(18,897)</b>	<b>Balance 1 April</b>	<b>(15,129)</b>
14,653	Total Comprehensive Income and Expenditure	15,024
(10,885)	Adjustments between accounting basis and funding basis under regulations – Note 8	(9,092)
<b>(15,129)</b>	<b>Total</b>	<b>(9,197)</b>

## 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 2024.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(355)</b>	<b>Balance 1 April</b>	<b>0</b>
(9,758)	Capital Receipts in year	(12,788)
10,113	Capital Receipts used for financing	12,788
<b>0</b>	<b>Total</b>	<b>0</b>

## 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 2024.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(200)</b>	<b>Balance 1 April</b>	<b>0</b>
(7,211)	Depreciation and Amortisation	(7,367)
7,411	Application to finance capital expenditure	7,367
<b>0</b>	<b>Total</b>	<b>0</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(1,324)</b>	<b>Balance 1 April</b>	<b>(296)</b>
1,028	Capital grants and contributions applied	0
<b>(296)</b>	<b>Total</b>	<b>(296)</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
(629,466)	Revaluation Reserve	(604,291)
(516)	Financial Instruments Revaluation Reserve	(172)
(537,687)	Capital Adjustment Account	(502,084)
158,926	Pensions Reserve	56,914
0	Deferred Capital Receipts Reserve	(16,883)
33,593	Collection Fund Adjustment Account	25,789
3,900	Accumulated Absences Account	4,500
10,799	Dedicated Schools Grant Adjustment Account	22,641
<b>(960,451)</b>	<b>Total</b>	<b>(1,013,586)</b>

### 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(589,730)</b>	<b>Balance on 1 April</b>	<b>(629,466)</b>
(84,258)	Upward revaluation of assets	(62,886)
32,494	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	60,177
<b>(51,764)</b>	<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>(2,709)</b>
6,963	Difference between fair value depreciation and historical cost depreciation	7,518
5,065	Accumulated gains on assets sold or scrapped	20,366
<b>12,028</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>27,884</b>
<b>(629,466)</b>	<b>Balance on 31 March</b>	<b>(604,291)</b>

### 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(1,559)</b>	<b>Balance on 1 April</b>	<b>(516)</b>
1,043	Downward revaluation of investments	344
<b>(516)</b>	<b>Balance on 31 March</b>	<b>(172)</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>(559,496)</b>	<b>Balance on 1 April</b>	<b>(537,687)</b>
38,071	Charges for depreciation and impairment of non-current assets	40,950
23,450	Revaluation (gains)/losses on non-current assets	24,544
2,361	Amortisation of intangible assets	2,805
60,109	Revenue expenditure funded from capital under statute	71,964
10,181	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	28,711
134,172	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	168,974
(12,028)	Adjusting Amounts written out of the Revaluation Reserve	(27,884)
122,144	Net written out amount of the cost of non-current assets consumed in the year	141,090
(10,113)	Use of Capital Receipts Reserve to finance new capital expenditure	(12,788)
(7,411)	Use of Major Repairs Reserve to finance new capital expenditure	(7,367)
(73,040)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(81,297)
(7,555)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(2,787)
(2,216)	Capital expenditure charged against the General Fund and HRA balances	(1,249)
(100,335)	Capital financing applied in year:	(105,488)
<b>(537,687)</b>	<b>Balance on 31 March</b>	<b>(502,084)</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>574,334</b>	<b>Balance on 1 April</b>	<b>158,926</b>
(424,263)	Remeasurements of the net defined benefit (liability)/asset	(94,094)
45,314	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	28,517
(36,459)	Employer's pensions contributions and direct payments to pensioners payable in the year	(36,435)
<b>158,926</b>	<b>Balance on 31 March</b>	<b>56,914</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>0</b>	<b>Balance on 1 April</b>	<b>0</b>
0	Transfer of deferred sale proceeds credited as part of the gain on disposal to the Comprehensive Income and Expenditure Statement	(16,883)
<b>0</b>	<b>Balance on 31 March</b>	<b>(16,883)</b>

## 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 2023 £000		31 March 2024 £000
<b>21,247</b>	<b>Balance on 1 April</b>	<b>33,593</b>
12,346	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	(7,804)
<b>33,593</b>	<b>Balance on 31 March</b>	<b>25,789</b>

## 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 2023 £000		31 March 2024 £000	£000
<b>3,800</b>	<b>Balance on 1 April</b>		<b>3,900</b>
(3,800)	Settlement or cancellation of accrual made at the end of the preceding year	(3,900)	
3,900	Amounts accrued at the end of the current year	4,500	
100	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		600
<b>3,900</b>	<b>Balance on 31 March</b>		<b>4,500</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
<b>4,392</b>	<b>Balance on 1 April</b>	<b>10,799</b>
6,407	School budget deficit transferred from General Fund in accordance with statutory requirements	11,842
<b>10,799</b>	<b>Balance on 31 March</b>	<b>22,641</b>

## 24. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
(867)	Interest received	(1,784)
11,712	Interest paid	18,965
<b>10,845</b>	<b>Total</b>	<b>17,181</b>

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

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
(38,071)	Depreciation	(40,950)
(23,450)	Impairment and downward valuations	(24,544)
(2,361)	Amortisation	(2,805)
22,971	(Increase)/decrease in creditors	5,152
(20,526)	Increase/(decrease) in debtors	17,073
(8,855)	Movement in pension liability	7,918
(10,181)	Carrying amount of non-current assets and non-current assets held for sale, sold, or derecognised	(28,711)
(2,568)	Other non-cash items charged to the net surplus or deficit on the provision of services	(3,869)
<b>(83,041)</b>	<b>Total</b>	<b>(70,736)</b>

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

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
9,758	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	29,671
72,012	Any other items for which the cash effects are investing or financing cash flows	81,297
<b>81,770</b>	<b>Total</b>	<b>110,968</b>

## 25. CASH FLOW STATEMENT – INVESTING ACTIVITIES

31 March 2023 £000		31 March 2024 £000
131,319	Purchase of property, plant and equipment, investment property and intangible assets	156,572
48,044	Purchase of short-term and long-term investments	35,198
2,872	Other payments for investing activities	1,054
(9,758)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12,788)
(52,244)	Proceeds from short-term and long-term investments	(36,398)
(97,276)	Other receipts from investing activities	(101,732)
<b>22,957</b>	<b>Net cash flows from investing activities</b>	<b>41,906</b>

## 26. CASH FLOW STATEMENT – FINANCING ACTIVITIES

31 March 2023 £000		31 March 2024 £000
(210,000)	Cash receipts of short-term and long-term borrowing	(784,600)
412	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	788
115,574	Repayments of short-term and long-term borrowing	629,298
9,467	Other payments/(receipts) for financing activities	(27,120)
<b>(84,547)</b>	<b>Net cash flows from financing activities</b>	<b>(181,634)</b>

## 27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

### Reconciliation of Liabilities Arising from Financing Activities

	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)
<b>Total liabilities from financing activities</b>	<b>(463,159)</b>	<b>(156,775)</b>	<b>0</b>	<b>(645)</b>	<b>(620,579)</b>

	1 April 2022	Financing cash flows	Changes which are not financing cash flows	Other non- financing Acquisition cash flows	31 March 2023
	£000	£000	£000	£000	£000
Long-term borrowings	(350,950)	0	0	27,282	(323,668)
Short-term borrowings	(3,205)	(94,541)	0	(28,008)	(125,754)
On Balance Sheet PFI liabilities	(14,149)	412	0	0	(13,737)
<b>Total liabilities from financing activities</b>	<b>(368,304)</b>	<b>(94,129)</b>	<b>0</b>	<b>(726)</b>	<b>(463,159)</b>

## 28. POOLED BUDGETS

Better Care Fund:

The Council has entered into 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.

2022/23 £000	Better Care Fund	2023/24 £000
(17,431)	Council Funding	(25,753)
(20,136)	Partner Funding	(12,885)
(37,567)	Total Pooled Funding	(38,638)
7,861	Council Expenditure	16,438
19,387	Partner Expenditure	12,885
27,248	Expenditure	29,323
<b>(10,319)</b>	<b>Net (Surplus) / Deficit Arising on the Pooled Budget during the year</b>	<b>(9,315)</b>
<b>(9,719)</b>	<b>Council Share of the Net (Surplus) / Deficit Arising on the Pooled Budget</b>	<b>(9,315)</b>

## 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 2023/24, 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.

<b>2022/23</b>	<b>Bedfordshire Community Equipment Service</b>	<b>2023/24</b>
<b>£000</b>		<b>£000</b>
(577)	Council Funding	(679)
(2,224)	Partner Funding	(2,618)
(2,801)	Total Pooled Funding	(3,297)
2,801	Council Expenditure	3,297
0	Partner Expenditure	0
2,801	Expenditure	3,297
<b>0</b>	<b>Net (Surplus) / Deficit on the Pooled Budget</b>	<b>0</b>
<b>0</b>	<b>Council Share of the Net (Surplus) / Deficit</b>	<b>0</b>

## 29. MEMBERS' ALLOWANCES

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

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
1,194	Salaries	1,171
78	Expenses	86
1,272	<b>Total</b>	1,257

### 30. OFFICERS' REMUNERATION

Senior officers are defined by the Council as any officer at Director level or above. During 2023/24, this classification included the Chief Executive, five Directors and the Office of the Chief Executive Lead. The remuneration paid to the Council's senior employees is as follows:

2022/23		Salary, Fees, and Allowances £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Executive (M Coiffait)	2023/24	196,107	0	50,007	246,114
	2022/23	185,725	0	50,703	236,428
Deputy Chief Executive & Director of Resources (C Warboys)	2023/24	165,522	0	42,208	207,730
	2022/23	148,651	0	40,582	189,233
Director of Children's Services (S-J Smedmor)	2023/24	148,650	0	37,906	186,556
	2022/23	128,748	0	35,148	163,896
Interim Director of Children's Services (S Ferguson)	2022/23	10,163	0	2,775	12,938
Director of Social Care, Health & Housing (A Sharp)	2023/24	157,243	0	40,097	197,340
	2022/23	19,895	0	5,431	25,326
Director of Social Care, Health & Housing (J Ogley)	2022/23	162,419	0	44,341	206,760
Director of Place and Communities (L Carver)	2023/24	144,900	0	36,950	181,850
	2022/23	133,506	0	36,447	169,953
Director of Transformation (E Garcez)	2022/23	80,211	63,802	21,897	165,910
Director of Public Health (V Head)	2023/24	48,955	0	9,710	58,665
	2022/23	47,299	0	9,034	56,333
Office of the Chief Executive - Lead (V Chapman)	2023/24	107,132	0	27,319	134,450
	2022/23	21,202	0	5,788	26,990
Total	2023/24	968,509	0	244,197	1,212,706
	2022/23	937,819	63,802	252,146	1,253,767

In addition, Marcel Coiffait also received payments of £21,814 for undertaking Returning Officer duties in the local elections which took place in 2023/24. Charles Warboys received £225, Vikki Chapman £410, Lorna Carver £799, Sarah-Jane Smedmor £1,004 and Andy Sharp £200 for carrying out election duties in 2023/24.

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 2023/24 as shown in the above table.

Julie Ogley, Director of Social Care, Health, and Housing retired on 31<sup>st</sup> March 2023. Andy Sharp was appointed to the post on 13<sup>th</sup> February 2023 to enable a period of handover before Julie left.

Following a restructure in 2022/23, a new Office of the Chief Executive was formed, and Vikki Chapman was appointed Lead on 16<sup>th</sup> January 2023. The values for 2023/24 represent a full year.

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	
	2022/23	2023/24
£50,001 to £55,000	191	198
£55,001 to £60,000	78	137
£60,001 to £65,000	56	67
£65,001 to £70,000	33	54
£70,001 to £75,000	41	41
£75,001 to £80,000	16	19
£80,001 to £85,000	8	19
£85,001 to £90,000	9	8
£90,001 to £95,000	5	6
£95,001 to £100,000	5	9
£100,001 to £105,000	4	4
£105,001 to £110,000	2	3
£110,001 to £115,000	2	4
£115,001 to £120,000	0	0

£120,001 to £125,000	0	0
£125,001 to £130,000	1	1
£130,001 to £135,000	0	1
£135,001 to £140,000	0	0
£140,001 to £145,000	0	0
£145,001 to £150,000	0	0
£150,001 to £155,000	1	0
£155,001 to £160,000	0	0
£160,001 to £165,000	0	0
£165,001 to £170,000	0	1
£170,001 to £175,000	0	0
£175,001 to £180,000	0	0
£180,001 to £185,000	0	0
£185,001 to £190,000	0	0
£190,001 to £195,000	0	0
£195,001 to £200,000	0	1
<b>Total</b>	<b>452</b>	<b>573</b>

## 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 (£)	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	2	2	8	3	10	5	100,549	45,957
£20,001 - £100,000	2	1	0	3	2	4	134,501	172,993
<b>Total</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>6</b>	<b>12</b>	<b>9</b>	<b>235,050</b>	<b>218,950</b>

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:

2022/23		2023/24
£000		£000
187	Fees payable to external auditors regarding external audit services carried out by the appointed auditor for the year	240
55	*Fees payable in respect of other services provided by external auditors during the year	53
<b>242</b>	<b>Total</b>	<b>293</b>

\* 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 ring-fenced 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 2022. 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 2023/24 are as follows:

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			<b>137,189</b>
D	Plus: Brought forward from 2022/23			0
E	Agreed initial budgeted distribution in 2023/24	<b>33,107</b>	<b>104,082</b>	<b>137,189</b>
F	In year adjustments	371	(223)	148
G	Final budget distribution for 2023/24	<b>33,478</b>	<b>103,859</b>	<b>137,337</b>
H	Less: Actual central expenditure	(43,698)		(43,698)
I	Less: Actual ISB deployed to schools		(105,481)	(105,481)
J	<b>In-year carry forward to 2024/25</b>	<b>(10,220)</b>	<b>(1,622)</b>	<b>(11,842)</b>

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)
<b>M</b>	<b>Total of DSG unusable reserve at the end of 2023/24</b>	<b>(22,641)</b>
<b>N</b>	<b>Net DSG position at the end of 2023/24</b>	<b>(22,641)</b>

Notes	DSG Receivable for 2022/23	Central Expenditure £000	Individual Schools Budget £000	Total £000
A	Final DSG for 2022/23 before Academy and high needs recoupment			268,442
B	Academy and high needs figure recouped for 2022/23			(141,813)
C	Total DSG after academy and high needs recoupment for 2022/23			<b>126,629</b>
D	Plus: Brought forward from 2021/22			0
E	Agreed initial budgeted distribution in 2022/23	<b>30,915</b>	<b>95,714</b>	<b>126,629</b>
F	In year adjustments	419	(452)	(33)
G	Final budget distribution for 2022/23	<b>31,334</b>	<b>95,262</b>	<b>126,596</b>
H	Less: Actual central expenditure	(36,258)		(36,258)
I	Less: Actual ISB deployed to schools		(96,745)	(96,745)
<b>J</b>	<b>In-year carry forward to 2023/24</b>	<b>(4,924)</b>	<b>(1,483)</b>	<b>(6,407)</b>
K	DSG unusable reserve at the end of 2021/22			(4,392)
L	Addition to DSG unusable reserve at the end of 2022/23			(6,407)
<b>M</b>	<b>Total of DSG unusable reserve at the end of 2022/23</b>			<b>(10,799)</b>
<b>N</b>	<b>Net DSG position at the end of 2022/23</b>			<b>(10,799)</b>

A Final DSG figure before any amount has been recouped from the Council as published March 2024.

B Figure recouped from the Council 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 2023/24, as published March 2024.

D Figure brought forward from 2022/23.

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 2022/23 made during 2023/24 on the basis of January 2023 numbers.

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

H Actual amount of central expenditure items in 2023/24.

I Amount of ISB actually distributed to schools.

J Carry-forward to 2024/25 already agreed.

K Balance on DSG unusable reserve at end of 2022/23.

L Any addition to DSG unusable reserve in 2023/24 as a result of an in-year deficit in 2023/24.

M Total of DSG unusable reserve deficit at end of 2023/24.

N Net DSG accumulated deficit position at the end of 2023/24.

### 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

2022/23 £000		2023/24 £000
(12,473)	NDR Section 31 Grant	(12,179)
(7,256)	New Homes Bonus Grant	(5,085)
(71)	Council Tax Annex Grant	(71)
(4)	Revenue Support Grant	(253)
(22,107)	Housing Infrastructure Fund – Biggleswade	(26,227)
(1,920)	Houghton Regis Community Wellbeing Hub	(12,581)
(21,172)	New School Places Programme	(5,980)
(839)	Safety Measures to Clophill Roundabout	(5,208)
(2,251)	Schools Capital Maintenance	(5,102)
(6,437)	HRA Capital Grant	(4,344)
(3,091)	Highways Structural Maintenance	(3,779)
(144)	Local Broadband Infrastructure	(2,346)
(2,113)	Section 106 developer contributions	(2,325)
(1,520)	High Needs Provision	(1,827)
(1,683)	Resilient Network Investment	(1,497)
(714)	Disabled Facilities Grant	(1,072)
(1,471)	Highways Integrated schemes	(909)
(811)	Schools Devolved Formula Capital	(815)
(687)	Dunstable High Street Regeneration	(331)
(43)	Flitwick Town Centre Redevelopment (Transport Interchange)	(56)
(942)	Housing Assistance	(37)
(4,067)	Others (individually less than £1M)	(6,861)
<b>(91,816)</b>	<b>Total</b>	<b>(98,885)</b>

## Credited to services

2022/23 £000		2023/24 £000
(125,337)	Dedicated Schools Grant	(135,925)
(38,826)	Housing Benefit Subsidy Grant	(41,392)
(13,121)	Public Health Grant	(13,548)
(10,724)	Better Care Fund Grant	(11,174)
(6,938)	Social Care Support Grant	(11,046)
(3,464)	Asylum Seeker Grant	(5,201)
(3,491)	Pupil Premium Grant	(3,766)
(2,966)	Household Support Fund	(2,966)
(2,339)	Universal Infant Free School Meals	(2,577)
0	Mainstream Schools Additional Grant	(2,321)
(1,908)	Supplementary Grant for Schools	0
(1,600)	Homes for Ukraine	(2,045)
(1,886)	Private Finance Initiative (PFI) Grant	(1,886)
(1,504)	Adult & Community Learning Grant	(1,767)
(1,170)	Homelessness Grants	(1,455)
(1,073)	Primary PE & Sports Premium	(1,067)
0	Early Years Support Grant	(1,018)
(1,004)	ICB Discharge Grant	(390)
(13,737)	Others (individually less than £1M)	(13,480)
	COVID Grants:	
(3,505)	COMF	0
(35)	Food & Emergency Supplies Grant	0
(1,605)	Covid – other grants (individually less than £1M)	0
<b>(236,233)</b>	<b>Total</b>	<b>(253,024)</b>

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 2023 £000		31 March 2024 £000
(102,054)	Section 106 developer contributions	(115,595)
(28,702)	M1-A6 link, North of Luton	(28,702)
(29,056)	New School Places Programme	(26,456)
(9,176)	High Needs Provision	(14,037)
(7,505)	Better Care Fund	(7,901)
(0)	Houghton Regis Community Wellbeing Hub	(4,848)
(1,923)	Structural Maintenance Block	(1,143)
(464)	Two-year-old entitlement grant	(1,114)
(1,173)	Schools Devolved Formula Capital	(801)
(2,176)	Schools Capital Maintenance	(0)
(1,863)	Clophill Roundabout	(0)
(1,173)	Housing Assistance	(0)
(3,130)	Others (individually less than £1M)	(5,870)
<b>(188,395)</b>	<b>Total</b>	<b>(206,467)</b>

## 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 2023/24 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 2023/24 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.

<b>Councillor</b>	<b>Organisation</b>	<b>Relationship</b>	<b>2023/24 Expenditure by the Council £'000</b>
S. Watkins & M. Smith	Care is Central Limited	Director	2,730
P. Crawley	NOAH Enterprise	Manager	251
<b>Officer</b>	<b>Organisation</b>	<b>Relationship</b>	<b>2023/24 Expenditure by the Council £'000</b>
A. Sharp & L. Carver	Care is Central Limited	Director	2,730
C. Warboys	Pathfinder Legal Services Ltd	Non-Executive Director	2,537

#### 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). Established by Cambridgeshire County Council and Northamptonshire County Council, the company's main objective is to provide legal services to the public sector.

During 2023/24 the Council made payments of £2.537M to Pathfinder Legal Services Ltd (£2.377M in 2022/23) 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 2024, the Council had provided £2.1M and £0.9M loan finance to New Vista Homes Ltd and Care is Central Ltd respectively on a variable interest rate based on the Bank of England's prevailing Base Rate plus 2.0%, i.e., 7.25% as of 31 March 2024, due to be repaid by 31 March 2026. 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 £1.0M 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 2024, 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 finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the 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:

2022/23 £000		2023/24 £000
<b>643,666</b>	<b>Opening capital financing requirement</b>	<b>731,990</b>
	Capital investment:	
124,039	Property, plant, and equipment	156,041
3,310	Intangible assets	1,887
1,200	Capital investment	1,000
60,109	Revenue expenditure funded from capital under statute	71,964
<b>188,658</b>	<b>Total capital spending</b>	<b>230,892</b>
	Sources of finance:	
(10,113)	Capital receipts	(12,788)
(73,039)	Government grants and other contributions	(81,297)
(7,411)	Major Repairs Reserve	(7,367)
	Sums set aside from revenue:	
(2,216)	Direct revenue contributions	(1,249)
(7,555)	Minimum revenue provision	(2,787)
<b>(100,334)</b>	<b>Total sources of finance</b>	<b>(105,488)</b>
<b>731,990</b>	<b>Closing capital financing requirement</b>	<b>857,395</b>

### Explanation of movements in year

31 March 2023 £000		31 March 2024 £000
88,324	Increase in underlying need to borrow (unsupported by government financial assistance)	125,405
<b>88,324</b>	<b>Increase/(decrease) in capital financing requirement</b>	<b>125,405</b>

## 36. LEASES

### Council as lessee

Finance leases:

As of 31 March 2024, the Council has not taken any finance leases.

Operating leases:

The Council has use of several buildings and land in delivering services through operating leases, with various lease lengths from 1 to 38 years and an average lease term remaining of 8 years.

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

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
85	Not later than one year	231
250	Later than one year and not later than five years	815
267	Later than five years	3,160
<b>602</b>	<b>Total</b>	<b>4,206</b>

The expenditure charged to services in the CIES during the year in relation to these leases was:

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
85	Minimum lease payments	231
<b>85</b>	<b>Total</b>	<b>231</b>

### Council as lessor

Finance leases:

As of 31 March 2024, the Council had not leased out any assets whereby the Council would be lessor that meet the definition of a finance lease.

Operating leases:

The Council leases out property (as landlord) 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.

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

31 March 2023		31 March 2024	
£000		£000	
1,643	Not later than one year	2,882	
5,008	Later than one year and not later than five years	9,795	
21,817	Later than five years	43,256	
<b>28,468</b>	<b>Total</b>	<b>55,933</b>	

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

### 37. SERVICE CONCESSION ARRANGEMENTS

2023/24 was the 18<sup>th</sup> 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.

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 2024 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	<b>Payment for services</b>	<b>Reimbursement of capital expenditure</b>	<b>Interest</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Payable within one year	1,852	568	1,327	3,747
Payable within two to five years	6,636	3,618	5,339	15,593
Payable within six to ten years	7,552	6,912	6,245	20,709
Payable within eleven to fifteen years	2,958	1,851	3,737	8,546
<b>Total</b>	<b>18,998</b>	<b>12,949</b>	<b>16,648</b>	<b>48,595</b>

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

	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Balance outstanding at start of year	(14,149)	(13,737)
Payments during the year	412	788
<b>Balance outstanding at year-end</b>	<b>(13,737)</b>	<b>(12,949)</b>

## 38. TERMINATION BENEFITS

The Council terminated the contracts of 9 employees in 2023/24, incurring direct redundancy costs of £219K (12 employees and £235K in 2022/23) - 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:

- £150K paid to five officers in Children's Services
- £37K paid to one officer in Resources
- £25K paid to two officers in Schools
- £7K paid to one officer in Social Care, Health & Housing.

## **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 12,357 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 £9.0M equate to approximately 0.1% of total £9.2BN employers' contributions to Teachers' Pensions.

In 2023/24, the Council paid £9.064M to Teachers' Pensions in respect of teachers' retirement benefits, representing 23.68% of pensionable pay. The comparative figures for 2022/23 were £8.461M 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 £9.0M. 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 1.815M 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 £20K equate to approximately 0.0002% of total £12.6BN employers' contributions to the NHS Pension Scheme.

In 2023/24, the Council paid £20K to the NHS Pension Scheme in respect of public health staff retirement benefits, representing 16.88% of pensionable pay. The comparative figures for 2022/23 were £22K 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 £20K. 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 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.

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.

2022/23 LGPS £000	2023/24 LGPS £000
<b>Comprehensive Income and Expenditure Statement</b>	
<b>Cost of Services</b>	
Service cost comprising:	
38,123 Current service cost	22,117
44 (Gain) / loss from curtailments	8
(261) (Gain) / loss from settlements and / or transfers	(282)
562 Administration expenses	896
Financing and Investment Income and Expenditure:	
6,846 Net interest expense	5,778
<b>45,314</b>	<b>28,517</b>
<b>Total post-employment benefits charged to the Surplus and Deficit on the Provision of Services</b>	
<b>Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement</b>	
Re-measurement of the net defined benefit liability comprising:	
21,659 Return on plan assets (excluding the amount included in the net interest expense)	(66,355)
(19,766) Actuarial (gains) / losses arising on changes in demographic assumptions	(9,704)
(551,911) Actuarial (gains) / losses arising on changes in financial assumptions	(21,160)
(7,314) Other actuarial (gains) / losses on assets	0
133,069 Experience (gains) / losses on defined benefit obligation	3,125
<b>(424,263)</b>	<b>(94,094)</b>
<b>Total post-employment benefits charged to Other Comprehensive Income and Expenditure Statement</b>	
<b>(378,949)</b>	<b>(65,577)</b>
<b>Total charged to the Comprehensive Income and Expenditure Statement</b>	
<b>2022/23 LGPS £000</b>	<b>2023/24 LGPS £000</b>
<b>Movement in Reserves Statement</b>	
(45,314) Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits	(28,517)
Actual amount charged against the General Fund balance for pensions in the year:	
36,459 Employers' contributions payable to scheme	36,435
<b>(8,855)</b>	<b>7,918</b>
<b>Pension Cost transferred to (or from) the Pensions Reserve</b>	

## 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:

<b>2022/23</b>	<b>2023/24</b>
<b>LGPS</b>	<b>LGPS</b>
<b>£000</b>	<b>£000</b>
(848,739) Present value of the defined benefit obligation	(859,729)
689,813 Fair value of plan assets	802,815
<b>(158,926) Net liability arising from the defined benefit obligation</b>	<b>(56,914)</b>

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

<b>2022/23</b>	<b>2023/24</b>
<b>LGPS</b>	<b>LGPS</b>
<b>£000</b>	<b>£000</b>
<b>666,639 Opening fair value of scheme assets</b>	<b>689,813</b>
25,453 Interest income	34,066
Re-measurement gain / (loss):	
(21,659) The return on plan assets, excluding the amount included in the net interest expense	66,355
7,314 Other actuarial (gains) / losses	0
36,459 Contributions from employer	36,435
7,830 Contributions from employees into the scheme	8,542
(31,352) Benefits / transfers paid	(33,000)
(562) Administration expenses	(896)
(309) Assets Extinguished on Settlement	1,500
<b>689,813 Closing fair value of scheme assets</b>	<b>802,815</b>

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

2022/23 LGPS £000	2023/24 LGPS £000
<b>(1,240,973) Opening balance on 1 April</b>	<b>(848,739)</b>
(38,123) Current service cost	(22,117)
(32,299) Interest cost	(39,844)
(7,830) Contributions from scheme participants	(8,542)
Re-measurement gains and (losses):	
19,766 Actuarial gains / (losses) from changes in demographic assumptions	9,704
551,911 Actuarial gains / (losses) from changes in financial assumptions	21,160
(133,069) Experience (gains) and losses on defined benefit obligation	(3,125)
(44) Gains / (losses) on curtailments	(8)
31,352 Benefits / transfers paid	33,000
570 Liabilities extinguished on settlements	(1,218)
<b>(848,739) Closing balance on 31 March</b>	<b>(859,729)</b>

**Local Government Pension Scheme assets comprised:**

Fair value of scheme assets

2022/23			2023/24			
Quoted	Unquoted	Total	Quoted	Unquoted	Total	
£000	£000	£000	£000	£000	£000	
0	28,813	28,813	Cash and cash equivalents	0	50,632	50,632
125,857	0	125,857	Bonds	40,141	105,694	145,835
0	92,403	92,403	Property	0	114,646	114,646
0	442,740	442,740	Equities	32,113	459,589	491,702
<b>125,857</b>	<b>563,956</b>	<b>689,813</b>	<b>Total assets</b>	<b>72,253</b>	<b>730,562</b>	<b>802,815</b>

**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:

<b>2022/23</b>	<b>LGPS</b>	<b>2023/24</b>
Mortality assumptions:		
Longevity at 65 for current pensioners		
21.4	Men	21.1
24.2	Women	23.9
Longevity at 65 for future pensioners		
22.4	Men	22.2
25.8	Women	25.5
Other assumptions		
4.80%	Rate for discounting scheme liabilities	4.95%
2.85%	Rate of increase in pensions (CPI)	2.85%
3.85%	Rate of increase in salaries	3.85%

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:**

<b>Assumption</b>	<b>LGPS</b>	<b>Increase in assumption £000</b>	<b>Decrease in assumption £000</b>
<hr/>			
Longevity (increase or decrease in 1 year)		33,957	(32,493)
Rate of increase in salaries (increase or decrease by 1%)		8,152	(7,840)
Rate of increase in pensions (increase or decrease by 1%)		156,944	(137,222)
Rate for discounting scheme liabilities (increase or decrease by 1%)		(141,702)	162,402

#### **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 £32.261M expected contributions to the scheme in 2024/2025.

The weighted average duration of the defined benefit obligation for scheme members is 19 years as of 31 March 2024 (19 years as of 31 March 2023).

### **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".

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 2024, 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 2024 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 £22.276M 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 1.2% of the year-end total in 2023/24, which compares to 1.4% in 2022/23.

<b>Credit Risk - Debtors</b>	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Less than three months	11,744	10,343
Three to six months	1,423	1,479
Six months to one year	2,404	3,106
More than one year	5,137	7,348
	<b>20,708</b>	<b>22,276</b>

### **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 Council sets limits on the proportion of its fixed rate borrowing during specified periods. The strategy is to ensure that no more than 50% of loans are due to mature within any rolling three-year period through the careful planning of new loans taken out. The maturity analysis of financial liabilities is as follows:

<b>Liquidity Risk</b>	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Less than one year	193,256	281,937
Between one and two years	21,253	127,860
Between two and five years	85,855	72,623
Between five and ten years	92,036	98,815
More Than 10 years	358,301	332,685
	<b>750,701</b>	<b>913,920</b>

All trade and other 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 and aims to keep a maximum of 50% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The 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 2024, 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.

<b>Market Risk - Interest Rate Risk</b>	<b>31 March 2024</b>
	<b>£000</b>
Increase in interest payable on variable rate borrowings	1,426
Increase in interest receivable on variable rate investments	(220)
Impact on Surplus or Deficit on the Provision of Services	<b>1,206</b>
Share of overall impact credited to the HRA	<b>(29)</b>
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)	<b>(28,010)</b>

## **Price Risk**

The Council holds units to the value of £5.172M 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. In addition, the Council has invested an equity stake of £0.475M in Pathfinder Legal Services Ltd in return for an ownership of the company and a proportionate share entitlement to any dividend income distributions.

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) or movement in shareholders' funds in respect of Pathfinder Legal Services Ltd would result in a £259K gain or loss being recognised in the Financial Instruments Revaluation Reserve for 2023/24 (the actual cumulative unrealised gain for the Lime Fund stood at £0.172M and a nil movement in the value of the Pathfinder Legal Services Ltd equity stake as at 31/03/2024).

## **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:

#### 2023/24

<b>Fund</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
LW Williams Fund	0	0	11	0
LuDun Fund	0	0	136	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>147</b>	<b>0</b>

#### 2022/23

<b>Fund</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
LW Williams Fund	0	0	11	0
LuDun Fund	0	0	133	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>144</b>	<b>0</b>

# **SUPPLEMENTARY FINANCIAL STATEMENTS 2023/24**

## 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.

31 March 2023 £000		31 March 2024 £000
	<b>Expenditure</b>	
8,187	Repairs and maintenance	11,042
16,751	Supervision and management	17,858
959	Rents, rates, taxes, and other charges	836
25,668	Depreciation, impairments, and revaluation losses of non-current assets	22,420
147	Debt management costs	163
133	Movement in the allowance for bad debts	27
<b>51,845</b>	<b>Total expenditure</b>	<b>52,346</b>
	<b>Income</b>	
(30,365)	Dwelling rents	(32,828)
(570)	Non-dwelling rents	(728)
(1,868)	Charges for services and facilities	(2,706)
(1,693)	Contributions towards expenditure	(2,079)
<b>(34,496)</b>	<b>Total income</b>	<b>(38,341)</b>
<b>17,349</b>	<b>Net expenditure or income of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement</b>	<b>14,005</b>
139	HRA services' share of corporate and democratic core	153
<b>17,488</b>	<b>Net (income) / expenditure for HRA services</b>	<b>14,158</b>
(1,453)	(Gain) or loss on sale of HRA fixed assets	(1,286)
4,957	Interest payable and similar charges	6,246
(148)	Interest and investment income	0
246	Net interest on the defined benefit liability/(asset)	250
(6,437)	Capital grants and contributions receivable	(4,344)
<b>14,653</b>	<b>(Surplus) or deficit for the year on HRA services</b>	<b>15,024</b>

## MOVEMENT ON THE HRA STATEMENT

31 March 2023 £000		31 March 2024 £000
(2,000)	<b>Balance on the HRA at the end of the previous year</b>	(5,000)
14,653	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	15,024
(10,885)	Adjustments between accounting basis and funding basis under statute	(9,092)
<b>3,768</b>	<b>Net (increase) or decrease before transfers to or from reserves</b>	<b>5,932</b>
(6,768)	Transfer to or (from) earmarked reserves	(5,932)
<b>(5,000)</b>	<b>Balance on the HRA at the end of the current year</b>	<b>(5,000)</b>

31 March 2023 £000	Adjustment between accounting basis and funding basis under statute	31 March 2024 £000
(19,231)	Transfers to/(from) the Capital Adjustment Account	(18,076)
1,453	Gain or (loss) on sale of non-current assets	1,286
(318)	Contributions to or (from) the Pension Reserve	331
7,211	Transfers to/(from) Major Repairs Reserve	7,367
<b>(10,885)</b>	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>	<b>(9,092)</b>

31 March 2023 £000	Transfer to/from Reserves	31 March 2024 £000
89	Transfers to earmarked reserves	145
(6,857)	Transfers from earmarked reserves	(6,077)
<b>(6,768)</b>	<b>Total transfers</b>	<b>(5,932)</b>

# 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 01/04/2023	Additions	Sales	Deletions	Stock at 31/03/2024
Low rise flats	1,426	8	(1)	0	1,433
Medium rise flats	889	64	(3)	(1)	949
Houses & Bungalows	3,237	27	(17)	0	3,247
<b>Total</b>	<b>5,552</b>	<b>99</b>	<b>(21)</b>	<b>(1)</b>	<b>5,629</b>

## 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 2023 £000		31 March 2024 £000	
621,699	Council dwellings	617,539	
10,726	Other land and buildings	12,767	
16	Vehicles, plant, furniture, and equipment	36	
24,074	Assets under construction	34,514	
<b>656,515</b>	<b>Total</b>	<b>664,856</b>	

As of 31 March 2024, the vacant possession value of the Council's dwellings is estimated at £1,333.5M. The lower Balance Sheet value of £617.5M 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 2024.

31 March 2023 £000		31 March 2024 £000	
(200)	Balance 1 April	0	
(7,211)	Depreciation and Amortisation	(7,367)	
7,411	Application to finance capital expenditure	7,367	
<b>0</b>	<b>Total</b>	<b>0</b>	

## HRA 4 Capital Expenditure and Financing

The Council spent £47.7M on HRA capital projects in 2023/24 (£43.3M in 2022/23). This spending was financed from the following sources:

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
	Capital investment:	
43,296	Property, plant, and equipment	47,688
<b>43,296</b>	<b>Total capital spending</b>	<b>47,688</b>
	Sources of finance:	
(4,368)	Capital receipts	(4,653)
(6,437)	Government grants and other contributions	(4,344)
(7,411)	Major Repairs Reserve	(7,367)
(25,080)	Borrowing	(31,324)
<b>(43,296)</b>	<b>Total sources of finance</b>	<b>(47,688)</b>

## HRA 5 Capital Receipts

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

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
(3,637)	Sale of council dwellings	(4,653)
(375)	Sale of council land	0
(1)	Sale of other property	0
<b>(4,013)</b>	<b>Total</b>	<b>(4,653)</b>

## 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

2022/23			2023/24	
Depreciation £000	Impairment £000		Depreciation £000	Impairment £000
(7,094)	(18,141)	Council dwellings	(7,253)	(14,919)
(113)	(316)	Other land and buildings	(111)	(134)
(4)	0	Vehicles, plant, furniture and equipment	(3)	0
<b>(7,211)</b>	<b>(18,457)</b>	<b>Total</b>	<b>(7,367)</b>	<b>(15,053)</b>

The £14.9M impairment on Council dwellings predominantly relates to reductions in market values over the accounting period. The £0.1M impairment on Other Land and Buildings relates to in-year valuation indexation losses of 5% and 12% applied to retail and office assets respectively.

## HRA 7 Rent Arrears

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

	31 March 2023 £000	31 March 2024 £000
Current Tenant Arrears	713	748
Former Tenant Arrears	782	818
<b>Gross Rent Arrears</b>	<b>1,495</b>	<b>1,566</b>
Bad Debt Provision	(1,082)	(1,058)
<b>Total</b>	<b>413</b>	<b>508</b>

## 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

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
1,381	Current Service Cost	964
246	Net interest expense	250
<b>1,627</b>	<b>Total charged to Comprehensive Income and Expenditure Statement</b>	<b>1,214</b>
(1,309)	Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners	(1,545)
<b>318</b>	<b>Movement on Pension Reserve</b>	<b>(331)</b>

## 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).

31 March 2023			31 March 2024			
Business Rates £000	Council Tax £000	Total £000	Collection Fund	Business Rates £000	Council Tax £000	Total £000
			<b>INCOME:</b>			
	(235,754)	(235,754)	Council Tax Receivable		(240,696)	(240,696)
(88,724)		(88,724)	Business Rates Receivable	(107,221)		(107,221)
			Transitional Protection Payments Receivable	(14,741)		(14,741)
<b>(88,724)</b>	<b>(235,754)</b>	<b>(324,478)</b>	<b>Total amounts to be credited</b>	<b>(121,961)</b>	<b>(240,696)</b>	<b>(362,657)</b>
			<b>EXPENDITURE:</b>			
			<b>Apportionment of Previous Year (Surplus)/Deficit:</b>			
(885)		(885)	Central Government	(21,108)		(21,108)
(867)	472	(395)	Central Bedfordshire Council	(20,686)	(1,784)	(22,470)
	60	60	Police and Crime Commissioner for Bedfordshire		(230)	(230)
(18)	28	10	Bedfordshire Fire and Rescue Service	(422)	(104)	(526)
			<b>Precepts, demands and shares:</b>			
53,732		53,732	Central Government	71,044		71,044
52,657	182,524	235,181	Central Bedfordshire Council	69,623	186,273	255,896
	25,928	25,928	Police and Crime Commissioner for Bedfordshire		28,135	28,135
1,075	11,423	12,498	Bedfordshire Fire and Rescue Service	1,421	12,215	13,636

	14,384	14,384	Parishes		15,535	15,535
			<b>Charges to Collection Fund:</b>			
0		0	Write-offs of uncollectable amounts	0		0
530	1,096	1,626	Increase/(decrease) in allowance for impairment	434	852	1,286
(1,570)		(1,570)	Increase/(decrease) in allowance for appeals	1,435		1,435
581		581	Transitional Protection Payments Payable	0		0
301		301	Charge to General Fund for allowable collection costs for non-domestic rates	314		314
			<b>Other transfers to General Fund in accordance with non-domestic rates regulations</b>			
363		363	Renewable Energy	3,642		3,642
<b>105,898</b>	<b>235,916</b>	<b>341,815</b>	<b>Total amounts to be debited</b>	<b>105,697</b>	<b>240,892</b>	<b>346,589</b>
<b>17,175</b>	<b>163</b>	<b>17,338</b>	<b>(Surplus) / Deficit arising during the year</b>	<b>(16,265)</b>	<b>195</b>	<b>(16,070)</b>
<b>39,781</b>	<b>3,224</b>	<b>43,005</b>	<b>(Surplus) / Deficit b/fwd</b>	<b>56,956</b>	<b>3,387</b>	<b>60,343</b>
<b>56,956</b>	<b>3,387</b>	<b>60,343</b>	<b>(Surplus) / Deficit c/fwd</b>	<b>40,691</b>	<b>3,582</b>	<b>44,273</b>

## 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. This result is then reduced by 1% to allow for non-collection and other reductions such as discounts and appeals.

### Note 1 - Council Tax Income

2023/24

Band	Valuation band limits £	Calculated number of dwellings No	Ratio to band D	Equated number of dwellings No
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
			Adjustment	(16,976)
			Council tax base	<u>111,606</u>

2022/23

Band	Valuation band limits £	Calculated number of dwellings No	Ratio to band D	Equated number of dwellings No
A	Up to and including - 40,000	10,591	6/9	7,061
B	40,001 - 52,000	24,576	7/9	19,115
C	52,001 - 68,000	35,057	8/9	31,162
D	68,001 - 88,000	24,715	9/9	24,715
E	88,001 - 120,000	16,651	11/9	20,351
F	120,001 - 160,000	9,420	13/9	13,607
G	160,001 - 320,000	5,298	15/9	8,830
H	More than - 320,001	387	18/9	774
Adjustment				(16,255)
Council tax base				<u>109,360</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: 2023/24: £201,807,750 - £15,535,104 (Parish Precepts) = £186,272,646 / 111,606 = £1,669.02 (2022/23: £196,908,305 - £14,384,278 (Parish Precepts) = £182,524,027 / 109,360 = £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 2023			31 March 2024		
	Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
Central Bedfordshire Council	27,909	2,845	30,754	19,939	3,009	22,948
Central Government	28,478	0	28,478	20,346	0	20,346
Police & Crime Commissioner for Bedfordshire	0	377	377	0	398	398
Bedfordshire Fire & Rescue Service	569	165	734	407	176	583
<b>Total</b>	<b>56,956</b>	<b>3,387</b>	<b>60,343</b>	<b>40,691</b>	<b>3,582</b>	<b>44,273</b>

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 2024 was £303.7M (£236.8M as of 31 March 2023).

The 2023/24 rating multiplier set by Central Government was 51.2p per £ (51.2p per £ in 2022/23) and 49.9p per £ for small businesses (49.9p per £ in 2022/23).

# **GROUP FINANCIAL STATEMENTS 2023/24**

# 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 and Care Is Central 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
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 2023/24 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 2023/24 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. 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) and Care Is Central Limited (CIC).

## **6. Pathfinder Legal Services Limited**

The Council holds a share of 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 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 2023/24 or 2022/23, therefore it is not included in the Group Accounts.

## **7. Basis of Consolidation**

The financial statements of New Vista Homes Limited, Care Is Central 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

2022/23				2023/24		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000	Notes	£000	£000	£000
146,687	(52,909)	93,778	Social Care, Health & Housing	172,073	(62,124)	109,949
148,749	(46,768)	101,981	Children's Services	173,183	(55,212)	117,971
139,833	(31,808)	108,025	Place and Communities	157,076	(37,876)	119,200
17,040	(17,142)	(102)	Public Health	20,418	(20,793)	(375)
4,014	(454)	3,560	Chief Executive's	4,620	(289)	4,331
85,203	(50,358)	34,845	Resources	88,839	(51,415)	37,424
7,341	(12,325)	(4,984)	Corporate Costs	4,718	(9,264)	(4,546)
130,907	(124,818)	6,089	Schools	141,029	(138,096)	2,933
52,032	(34,544)	17,488	Landlord Business (HRA)	52,499	(38,341)	14,158
<b>731,806</b>	<b>(371,126)</b>	<b>360,680</b>	<b>Cost of Services</b>	<b>814,455</b>	<b>(413,410)</b>	<b>401,045</b>
19,670	(4,013)	15,657	Other Operating Expenditure	20,123	(4,653)	15,470
19,989	(975)	19,014	Financing and Investment Income and Expenditure	27,717	(1,918)	25,799
38,530	(342,539)	(304,009)	Taxation and Non-Specific Grant Income	19,841	(360,435)	(340,594)
<b>809,995</b>	<b>(718,653)</b>	<b>91,342</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>882,136</b>	<b>(780,416)</b>	<b>101,720</b>
		(51,764)	Surplus or deficit on revaluation of Property, Plant and Equipment			(2,708)
		1,043	Surplus or deficit on revaluation of available for sale financial assets and financial instruments at fair value through other comprehensive income and expenditure			344
		(424,263)	Remeasurement of the net defined benefit liability / asset			(94,094)
		<b>(474,984)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(96,458)</b>
		<b>(383,642)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>5,262</b>

## 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
<b>Balance as of 31 March 2023</b>	<b>(120,784)</b>	<b>(15,129)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(136,209)</b>	<b>(960,451)</b>	<b>(1,096,660)</b>	<b>1,353</b>	<b>(1,095,307)</b>
<b>Movement in reserves during 2023/24</b>										
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
<b>(Increase) / Decrease in 2023/24</b>	<b>51,715</b>	<b>5,932</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,647</b>	<b>(53,135)</b>	<b>4,512</b>	<b>750</b>	<b>5,262</b>
<b>Balance as of 31 March 2024</b>	<b>(69,069)</b>	<b>(9,197)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(78,562)</b>	<b>(1,013,586)</b>	<b>(1,092,148)</b>	<b>2,103</b>	<b>(1,090,045)</b>

	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
<b>Balance as of 31 March 2022</b>	<b>(144,564)</b>	<b>(18,897)</b>	<b>(355)</b>	<b>(200)</b>	<b>(1,324)</b>	<b>(165,340)</b>	<b>(547,013)</b>	<b>(712,353)</b>	<b>665</b>	<b>(711,688)</b>
<b>Movement in reserves during 2022/23</b>										
Total Comprehensive Income and Expenditure	76,023	14,653	0	0	0	90,676	(474,983)	(384,307)	688	(383,619)
Adjustments between accounting basis and funding basis under regulations	(52,243)	(10,885)	355	200	1,028	(61,545)	61,545	0	0	0
<b>(Increase) / Decrease in 2022/23</b>	<b>23,780</b>	<b>3,768</b>	<b>355</b>	<b>200</b>	<b>1,028</b>	<b>29,131</b>	<b>(413,438)</b>	<b>(384,307)</b>	<b>688</b>	<b>(383,619)</b>
<b>Balance as of 31 March 2023</b>	<b>(120,784)</b>	<b>(15,129)</b>	<b>0</b>	<b>0</b>	<b>(296)</b>	<b>(136,209)</b>	<b>(960,451)</b>	<b>(1,096,660)</b>	<b>1,353</b>	<b>(1,095,307)</b>

## GROUP BALANCE SHEET

31 March 2023			31 March 2024
£000	Notes		£000
1,879,801	1	Property, Plant and Equipment	1,944,711
12,780		Intangible Assets	11,485
6,241	2	Long-Term Investments	5,897
19		Long-Term Debtors	11,259
<b>1,898,841</b>		<b>Long-Term Assets</b>	<b>1,973,352</b>
3,083		Short-Term Investments	146
1,894	3	Stocks	2,816
100,318	4	Short-Term Debtors	95,247
8,993	5	Cash and Cash Equivalents	7,504
<b>114,288</b>		<b>Current Assets</b>	<b>105,713</b>
(125,753)		Short-Term Borrowing	(196,490)
(99,615)	6	Short-Term Creditors	(93,774)
(8,009)		Provisions	(11,233)
<b>(233,377)</b>		<b>Current Liabilities</b>	<b>(301,497)</b>
(504)		Long-Term Creditors	(619)
(323,669)		Long-Term Borrowing	(411,141)
(171,876)		Other Long-Term Liabilities	(69,296)
(188,396)		Grants Receipts in Advance - Capital	(206,467)
<b>(684,445)</b>		<b>Long-Term Liabilities</b>	<b>(687,523)</b>
<b>1,095,307</b>		<b>Net Assets</b>	<b>1,090,045</b>
(134,856)	7	Usable Reserves	(76,459)
(960,451)	8	Unusable Reserves	(1,013,586)
<b>(1,095,307)</b>		<b>Total Reserves</b>	<b>(1,090,045)</b>

## GROUP CASH FLOW STATEMENT

2022/23		2023/24
£000	Notes	£000
91,342	Net (surplus) / deficit on the provision of services	101,720
(81,131)	Adjustment to surplus or deficit on the provision of services for non-cash movements	(69,693)
81,770	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	110,968
<b>91,981</b>	<b>Net cash flows from operating activities</b>	<b>142,997</b>
20,264	Net cash flows from investing activities	40,127
(84,547)	Net cash flows from financing activities	(181,635)
<b>27,698</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>1,489</b>
36,691	Cash and cash equivalents at the beginning of the reporting period	8,993
<b>8,993</b>	<b>5 Cash and cash equivalents at the end of the reporting period</b>	<b>7,504</b>

# 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. They are subsidiaries for accounting purposes and have been consolidated into the Council's Group Accounts.

## Accounting Policies

NVH and CIC, and CBG have prepared 2023/24 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
<b>Cost or valuation</b>								
<b>At 1 April 2023</b>	<b>621,699</b>	<b>706,649</b>	<b>54,771</b>	<b>524,219</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>2,081,654</b>
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
<b>At 31 March 2024</b>	<b>617,538</b>	<b>743,741</b>	<b>54,365</b>	<b>574,704</b>	<b>2,248</b>	<b>62,418</b>	<b>112,583</b>	<b>2,167,597</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2023</b>	<b>0</b>	<b>(177)</b>	<b>(34,874)</b>	<b>(166,802)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(201,853)</b>
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
<b>At 31 March 2024</b>	<b>0</b>	<b>(490)</b>	<b>(37,571)</b>	<b>(184,825)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(222,886)</b>
<b>Net book value</b>								
<b>At 31 March 2024</b>	<b>617,538</b>	<b>743,251</b>	<b>16,794</b>	<b>389,879</b>	<b>2,248</b>	<b>62,418</b>	<b>112,583</b>	<b>1,944,711</b>
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,472</b>	<b>19,897</b>	<b>357,417</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>1,879,801</b>

Comparative movements in 2022/23

	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
<b>Cost or valuation</b>								
<b>At 1 April 2022</b>	<b>608,073</b>	<b>657,815</b>	<b>54,597</b>	<b>495,848</b>	<b>1,968</b>	<b>90,337</b>	<b>46,911</b>	<b>1,955,549</b>
Additions	16,627	12,592	2,743	28,371	64	4,310	59,440	124,147
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(5,168)	32,085			111	8,564		35,592
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(18,141)	(5,017)			28	30		(23,100)
Derecognition – disposals	(2,508)	(7,277)	(2,569)			(54)	(76)	(12,484)
Assets reclassified (to)/from Held for Sale						1,950		1,950
Other movements in cost or valuation	22,816	16,451				(3,248)	(36,019)	0
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,649</b>	<b>54,771</b>	<b>524,219</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>2,081,654</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 1 April 2022</b>	<b>0</b>	<b>(96)</b>	<b>(32,055)</b>	<b>(149,837)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(181,988)</b>
Depreciation charge	(7,094)	(8,822)	(5,186)	(16,965)	0	(11)	0	(38,078)
Depreciation written out to the Revaluation Reserve	7,070	8,741				11		15,822
Derecognition – disposals	24		2,367					2,391
<b>At 31 March 2023</b>	<b>0</b>	<b>(177)</b>	<b>(34,874)</b>	<b>(166,802)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(201,853)</b>
<b>Net book value</b>								
<b>At 31 March 2023</b>	<b>621,699</b>	<b>706,472</b>	<b>19,897</b>	<b>357,417</b>	<b>2,171</b>	<b>101,889</b>	<b>70,256</b>	<b>1,879,801</b>
<b>At 31 March 2022</b>	<b>608,073</b>	<b>657,719</b>	<b>22,541</b>	<b>346,010</b>	<b>1,968</b>	<b>90,337</b>	<b>46,911</b>	<b>1,773,560</b>

## 2. LONG-TERM INVESTMENTS

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
5,516	Lime Fund equity investment	5,172
250	Loan to Pathfinder Legal Services Ltd	250
475	Pathfinder Legal Services Ltd equity investment	475
<b>6,241</b>	<b>Total</b>	<b>5,897</b>

## 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.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
1,894	New Vista Homes Ltd	2,816
<b>1,894</b>	<b>Total</b>	<b>2,816</b>

## 4. SHORT-TERM DEBTORS

31 March 2023		31 March 2024
£000		£000
28,092	Trade receivables	36,063
9,337	Prepayments	23,070
62,889	Other receivable amounts	36,114
<b>100,318</b>	<b>Total</b>	<b>95,247</b>

## 5. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2023		31 March 2024
£000		£000
(2,403)	Cash and bank balances	(10,295)
10,100	Short-term investments	17,765
1,296	Short-term deposits	34
<b>8,993</b>	<b>Total Cash and Cash Equivalents</b>	<b>7,504</b>

## 6. SHORT-TERM CREDITORS

31 March 2023		31 March 2024
£000		£000
(67,018)	Trade payables	(72,703)
(32,597)	Other payables	(21,071)
<b>(99,615)</b>	<b>Total</b>	<b>(93,774)</b>

## 7. USABLE RESERVES

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
(26,383)	General Fund Balance	(26,383)
(94,401)	Earmarked General Fund Reserves	(42,686)
(5,000)	Housing Revenue Account (HRA)	(5,000)
(10,129)	Earmarked HRA Reserves	(4,197)
(296)	Capital Grants Unapplied Account	(296)
765	New Vista Homes Ltd – Shareholders’ Funds	1,408
588	Care Is Central Ltd – Shareholders’ Funds	695
<b>(134,856)</b>	<b>Total</b>	<b>(76,459)</b>

## 8. UNUSABLE RESERVES

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>
(629,466)	Revaluation Reserve	(604,291)
(516)	Financial Instruments Revaluation Reserve	(172)
(537,687)	Capital Adjustment Account	(502,084)
158,926	Pension Reserve	56,914
0	Deferred Capital Receipts Reserve	(16,883)
33,593	Collection Fund Adjustment Account	25,789
3,900	Accumulated Absences Account	4,500
10,799	Dedicated Schools Grant Adjustment Account	22,641
<b>(960,451)</b>	<b>Total</b>	<b>(1,013,586)</b>

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

## **REPORT ON THE AUDIT OF THE COUNCIL'S STATEMENT OF ACCOUNTS**

### **Opinion**

We have audited the financial statements of Central Bedfordshire Council ("the Council") for the year ended 31 March 2024 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 2024 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 2023/24.

### **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.

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 and 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.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account pairings posted to cash, borrowings, capital expenditure and revenue expenditure funded by capital under statute.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

- For a selection of capitalised expenditure, we assessed whether it had been appropriately capitalised with reference to supporting documentation.
- 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 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.

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the nature of the Group's and the Council's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Director of Finance and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

## **Other information**

The 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, 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 32, 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](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

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

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

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**

As explained more fully in the statement set out on page 32, the Director of Finance is responsible for ensuring that the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

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

### **Statutory reporting matters**

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

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

We have nothing to report in this respect.

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

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

## **DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

We are unable to certify that we have completed the audit of the financial statements of the Central Bedfordshire Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice for the following reasons:

- As at the date of this audit report, we have not yet completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2024; and
- The certification of completion of the audit has not yet been issued in respect of the year ended 31 March 2023.



**Richard Walton**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

4<sup>th</sup> Floor

EastWest, Tollhouse Hill

Nottingham

NG1 5FS

28 November 2024



# **Central Bedfordshire Council Annual Governance Statement 2023/24**

**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 complied and met 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.

This Annual Governance Statement reports on the governance framework for the financial year 2023/24. In preparing the AGS, the Council has:

- Reviewed the Council’s existing governance arrangements against the revised CIPFA/SOLACE “Delivering Good Governance in Local Government framework – 2016 Edition”.
- Assessed the effectiveness of the Council’s governance arrangements against the Local Code of Corporate Governance.
- Produced Assurance Statements from officers relating to their areas of responsibility during 2023/24.
- Reviewed the key governance issues identified for 2023/24 and report on the progress made in relation to those matters.

# 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.

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 2023/24 was formally approved by the Audit Committee on the 24<sup>th</sup> May 2024 where it was recommended for signing by the Leader of the Council and Chief Executive.

## Signed on behalf of Central Bedfordshire Council

.....Councillor Adam Zerny  
Leader of the Council

.....Marcel Coiffait  
Chief Executive

## 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 spent wisely
- has effective arrangements in place to manage risk
- meets the needs of Central Bedfordshire communities
- ensure its values and ethical standards are met
- secures continuous improvements in the way it operates.

The Council's governance framework brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes.

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 / 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 Council is committed to the principles of effective corporate governance and has adopted a Local Code of Corporate Governance, which follows the latest guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and The Society of Local Authority Chief Executives (SOLACE), titled: "Delivering Good Governance in Local Government framework (2016)".

Upholding good standards of corporate governance leads to high standards of management, strong performance, effective use of resources, increased public involvement, integral to the Council delivering its "...intended outcomes...".

# Core Principles of Corporate Governance

 <h2>Principle A: Integrity and Values</h2> <ul style="list-style-type: none"> <li>• Staying true to our strong ethical values and standards of conduct</li> <li>• Respecting the rule of law</li> <li>• Creating a culture where statutory officers and other key post holders are able to fulfil their responsibilities</li> <li>• Ensuring fraud, corruption and abuse of position are identified and dealt with effectively</li> <li>• Ensuring a safe environment to raise concerns and learning from our mistakes</li> </ul>	 <h2>Principle D: Making a difference</h2> <ul style="list-style-type: none"> <li>• Having a clear vision and strategy setting out our intended outcome for citizens and service users.</li> </ul>
 <h2>Principle B: Openness and engagement</h2> <ul style="list-style-type: none"> <li>• Keeping relevant information open to the public and continuing their involvement</li> <li>• Consultation feedback from the public is used to support service and budget decisions</li> <li>• Providing clear rationale for decision making – being explicit about risk, impact and benefits.</li> <li>• Having effective scrutiny to constructively challenge what we do and the decisions made</li> </ul>	 <h2>Principle E: Capability</h2> <ul style="list-style-type: none"> <li>• Clear roles and responsibilities for council leadership</li> <li>• Maintaining a development programme that allows councillors and officers to gain the skills and knowledge they need to perform well in their roles.</li> <li>• Evaluating councillor and officer's performance</li> <li>• Regular oversight of performance, compliments and complaints to enable results (outcomes) to be measured and enable learning</li> </ul>
 <h2>Principle C: Working together</h2> <ul style="list-style-type: none"> <li>• Having a clear vision and strategy to achieve intended outcomes – making the best use of resources and providing value for money</li> <li>• Being clear about expectations – working effectively together within the resources available</li> <li>• Developing constructive relationships with stakeholders</li> <li>• Having strong priority planning and performance management processes in place</li> <li>• Taking an active and planned approach to consult with the public</li> <li>• Regularly consult with employees and their representatives</li> </ul>	 <h2>Principle F: Managing risk and performance</h2> <ul style="list-style-type: none"> <li>• Ensuring that effective risk management and performance management systems are in place, and that these are integrated in our business systems / service units</li> <li>• Having well developed assurance arrangements in place – including commercial activities</li> <li>• Having an effective Audit Committee</li> <li>• Effective counter fraud arrangements in place.</li> </ul>
	 <h2>Principle G: Transparency and accountability</h2> <ul style="list-style-type: none"> <li>• Having rigorous and transparent decision making processes in place</li> <li>• Maintaining an effective scrutiny process</li> <li>• Publishing up to date and good quality information on our activities and decisions</li> <li>• Maintaining an effective internal and external audit function</li> </ul>

## **The Annual Governance Statement**

The Council are required to prepare and publish an Annual Governance Statement in order to report publicly on the extent to which we comply with the Core Principles of Corporate Governance set out in the Council's "Local Code of Corporate Governance" (see Appendix B). This Annual Governance Statement reports on the governance framework for the financial year 2023/24.

In preparing the Annual Governance Statement, the Council has:

- Reviewed the Council's existing governance arrangements against the revised CIPFA/SOLACE "Delivering Good Governance in Local Government framework – 2016 Edition".
- Assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.
- Obtained Directors Statements of Internal Control Responsibilities for 2023/24.

## **Composition of the Council 2023/24**

During 2023/24, the Council consisted of 63 Councillors who represented 31 Wards within Central Bedfordshire.

Between 1st April 2023 and 25 May 2023, the Council were led by a Conservative administration. At the annual Council on 25 May 2023, the Leader of the Independent Group was elected as the Leader of the Council and he appointed 8 Independent members to form the Executive with him. There is no overall political control within the Council which is run by a minority administration formed of independents.

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.

## **Governance - Roles and Responsibilities**

### **Council**

The Council agrees the Budget and Policy Framework, such as the Corporate Plan and Medium Term Financial Strategy.

### **The Executive**

During 2023/24, the Executive comprised the Leader of the Council and eight Executive Councillors. Each of the eight Executive Councillors held specific portfolios:

- Families, Education and Children
- Planning and Development
- Highways and Waste
- Sustainability and Climate Resilience
- Business, Housing and Public Assets
- Adult Social Care
- Finance
- Health and Community liaison

There is also one Deputy Executive Councillor for the Health and Community Liaison portfolio.

The Executive were responsible for making decisions that deliver the Budget and Policy Framework of the Council. The Executive, as a collective, took decisions on major service areas. However, in addition, Executive Members were able to make decisions individually relevant to their executive areas.

### **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 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 exists to challenge the way things are being done and make sure the right processes are in place. The Committee work closely with both internal audit and senior management to continually improve the Council's governance, risk and control environment.

On 30 May 2023, the Audit Committee approved the draft Annual Governance Statement for 2022/23 and the draft Local Code of Corporate Governance for 2023/24.

[Find out more about the audit committee here.](#)

## **Chief Executive and Corporate Management Team**

The Chief Executive has overall responsibility for the Council's governance framework, working collaboratively with Corporate Directors. 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.

## **Chief Finance Officer**

The Council has designated the Director of Resources as the Chief Finance Officer under Section 151 of the Local Government Act 1972. The Director of Resources leads and directs the financial strategy of the Council.

The Director of Resources is a member of the Council's Corporate Management Team and has a key responsibility to ensure that the Council controls and manages its money well. The Director of Resources is able to operate effectively and perform core duties - complying with the CIPFA Statement on the role of the Chief Financial Officer.

## **Monitoring Officer**

The Monitoring Officer has responsibility for ensuring decisions of Central Bedfordshire Council are lawful and in accordance with legislation, statutory guidance, caselaw and the Council's [Constitution](#).

The Monitoring Officer is responsible for ensuring the Council complies with its duty to promote and maintain high standards of conduct by Members and co-opted members of the authority.

During 2023/2024, the Monitoring Officer provided reports to General Purposes Committee which gave assurances that:

- appropriate arrangements are in place and operated effectively under the Regulation of Investigatory Powers Act
- proper arrangements for ethical standards / member complaints and an annual update on member complaints are in place.

## **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, the authority have appointed KPMG LLP as its 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.

## Monitoring the Strategic Plan for the period 2023/2024

In February 2022, the Council adopted a refreshed Strategic Plan, setting out the Council's priorities and principles to become a 'Great Place to Live and Work'. The Plan is aligned to the achievement of Central Bedfordshire's Vision 2050 outcomes.

These priorities guide decisions and choices within the Medium Term Financial Plan.



Delivery of the Strategic plan will be tracked through relevant performance targets, which will be considered regularly by the Executive and Overview and Scrutiny Committees.

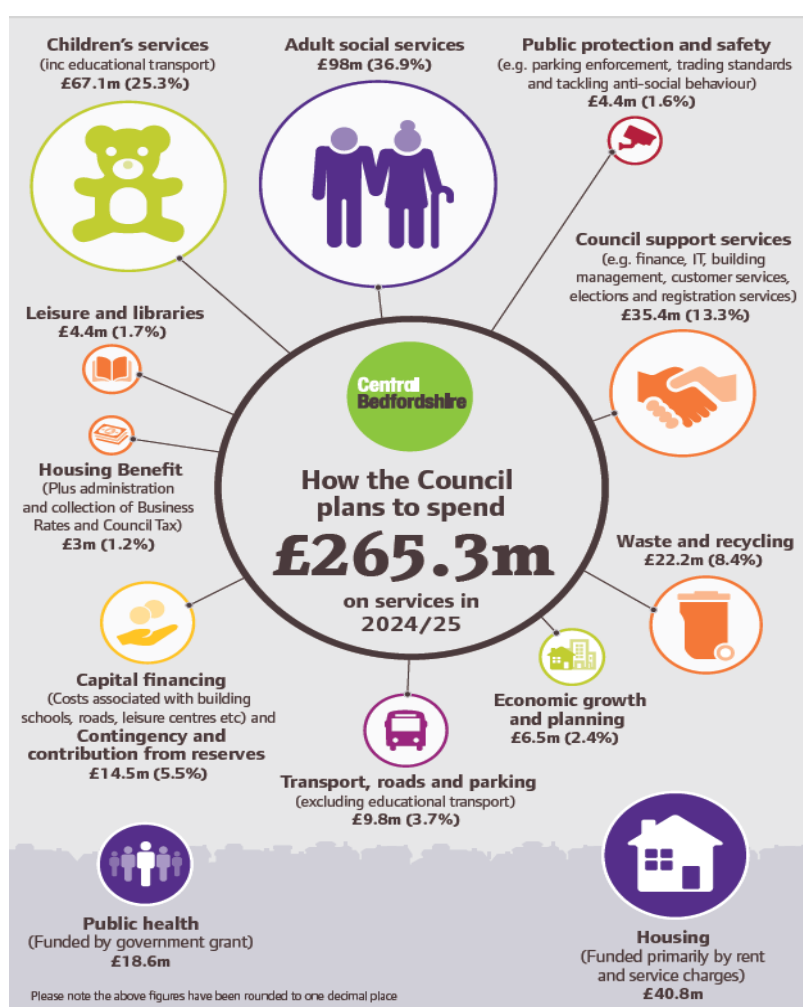
The Council have refreshed the Strategic Plan setting out the priorities of the new Administration and how they will be delivered. The [revised Strategic Plan](#) was adopted in April 2024.

## Resources - Value for money

Being a more efficient and responsive Council is a key priority. As such, the Council has delivered £220million of efficiency savings since re-organisation in 2009.

Each year the Council reviews its financial arrangement for the year ahead through the Medium Term Financial Plan. This details the budgets and the expected cost increases (pressures) and the planned savings (efficiencies) along with a statement about the financial resilience of the Council's budget. This is published on the Council's website under the Executive Committee papers and also in the Budget Book section of the website. The Council's audited Annual Statement of Accounts is also shown on the website.

The diagram below provides an overview of the Council's expenditure during 2024/25.



## Monitoring Council Budgets 2023/24

The Executive received the following quarterly reports on the Council's budget:

- Revenue Budget Monitoring
- Capital Budget Monitoring
- Housing Revenue Account Monitoring

The reports included the forecast outturn for the Council during 2023/24.

## **Performance Monitoring 2023/24**

Monitoring delivery of the Strategic Plan outcomes is reported through quarterly publication of Corporate Performance Monitoring reports. The reports detailed the Council's performance against a suite of forty-two Key Performance Indicators.

The performance indicators are aligned to the principles, priorities and outcomes within the Council's Strategic Plan. Reports on Corporate Performance Monitoring are considered by the Executive on a quarterly basis. The reporting process includes informing the Executive of indicators that are in development.

In addition to the quarterly Corporate Performance Monitoring reports, the Council conduct biennial surveys to elicit residents' views on a range of universal services, for example: Leisure, Libraries, Waste and Road Maintenance.

The most recent biennial Residents' Survey was conducted in September/October 2022. The Survey included questions on general perceptions of the Council, including value for money, keeping residents informed and resident satisfaction with the area as a place to live.

Within the wider context, the Local Government Association (LGA) triannual resident surveys enabled the Council to monitor its performance against national comparisons on satisfaction and other key indicators.

## **External Inspections**

The Council has been subject to a number of external reviews in 2023/24 as detailed below:

### **Ofsted**

Ofsted announced a focus visit inspection of Childrens Services Social Care and Early Help that took place from 13<sup>th</sup> – 21<sup>st</sup> February 2024. This visit was conducted in line with the inspection of local authority children's services (ILACS) framework. Inspectors looked at a range of evidence, including case discussions with social workers and managers. They also looked at local authority performance management and quality assurance information and children's records. The inspection focused on 'Children in need, including those children subject to a protection plan', specifically focusing on; Step-up/step-down arrangements between children in need and child protection, Children subject to a letter before proceedings and the quality and impact of pre-proceedings interventions and protection of disabled children. This focused visit, follows on from our recent 'Good' Ofsted rating from 2022.

While this type of inspection doesn't provide us a rating there are some key highlights of the report to be considered as a strength:

Since the local authority was last inspected, in 2022, the support and management

oversight for children in need of help and protection have strengthened.

Children in Central Bedfordshire benefit from passionate and skilled social workers who know them well and who work with purpose. Practice adheres to a well-embedded ethos of 'not working to but with' the children and their parents.

Disabled children are supported well by a dedicated team of social workers who have relevant knowledge and expertise. Social workers are skilled in a variety of communication techniques, including child observation, and are able to present the children's voices clearly to inform decisions.

Leaders and managers at Central Bedfordshire are forward-thinking and ambitious and know their service well. They have a coherent approach and a clear line of sight of their improvement journey.

Most children's cases progress into pre-proceedings under the PLO at the right time for the child. Social workers are clear about what they need to do when children enter the PLO process. As a result, the PLO intervention is effective in diverting many children away from care proceedings.

Social workers enjoy working for Central Bedfordshire. They feel well supported by visible and caring managers and senior leaders. They are provided with a range of relevant training and development opportunities which help them become more effective in their roles.

The report also includes valuable feedback on how we can further improve. The recommendations were things we were already aware of and looking at how we can continue to strengthen the vital services that we provide children and families. The areas of improvement are:

- The effective use of advocacy for children, their parents and carers.
- The quality and consistent use of direct work with children.
- The pace of ensuring effectiveness, quality and impact of audits.

Ofsted will take the findings from this focused visit into account when planning next inspection or visit.

## **Investigatory Powers Commissioners Office (IPCO)**

A request was received from IPCO in January 2024 to undertake a desktop assessment in order to evidence compliance with relevant legislation (RIPA and IPA) and codes of practice which govern the use of powers in relation to covert surveillance and obtaining communications data.

The response to the request was provided to IPCO in March 2024 along with supporting documentation including the revised RIPA/IPA Policy.

The Investigatory Powers Commissioner provided confirmation they are satisfied that the information provided and actions taken to review compliance through the early

part of the year provided the necessary assurance that the Council is compliant with RIPA 2000 and IPA 2016 and no further inspection would be required this year.

## **Key Governance issues for 2023/24**

The following provides a progress update against key governance issues identified for 2023/2024.

### **Wholly Owned Companies**

Further enhance decision making and governance processes for the wholly owned companies by the appointment of new independent Board Directors to New Vista Homes (NVH).

#### Comment

This requirement has been superseded by the Shareholder's decision not to transfer any further sites into NVH, however the Board of NVH will continue to be responsible for the delivery of housing on the NVH site at Haynes.

Care is Central and Care is Central Residential

Care is Central continues to deliver care services in Independent Living Services and holds a 'Good' rating from the Care Quality Commission.

Care is Central Residential will commence operations at the Council's newly built care homes in Leighton Buzzard and Flitwick in 24/25.

The governance arrangements for Care is Central and Care is Central Residential are robust, with CBC Members, senior officers and independent Board Directors serving on the Boards. Care is Central and Care is Central Residential are subsidiaries of The Central Bedfordshire Group and CBC Members, senior officers and independent Board Directors serve on the Board and are held to account on the activities of the companies by the Council's Shareholder Representative.

CBC provides governance, accountancy and human resources services to The Central Bedfordshire Group, Care is Central and Care is Central Residential. The cost of these services is recovered from the companies.

### **SEND**

Improve service delivery with a focus on the best possible outcomes for children with SEND. An accelerated action plan - externally monitored by the DfE and CQC.

The plan is part of the Council's wider SEND strategy which supports improvement across the Authority's graduated response, communication and co-production with children and their parent carers, inclusive schools and special school places.

To be reviewed by Children's Services Overview and Scrutiny SEND Sub-Committee which meets 5 times a year and the Health and Well-Being Board six monthly.

On-going internal monitoring with a partnership, operational and executive board.

## **Home to School Transport**

To provide an efficient and effective home to school travel offer for children using mainstream routes and children with SEND.

Improve service delivery through targeted transformation activities including: Consult on a revised Home to School Transport Policy

Implement Independent Travel Training programme

Undertake a review of routes to ensure route optimisation

Maximise use of the in-house fleet service

"Route and Branch" review work had begun to implement a differentiated set of processes for SEND and mainstream transport with clear responsibilities across teams for each aspect of the process, including identifying where specialist roles may need to be deployed".

To be reviewed by Children's Services Overview and Scrutiny Committee six monthly.

Ongoing internal monitoring with a transformation board and quarterly CMT oversight.

### Comments

An effective service was provided for approximately 6,500 students resulting in passenger journeys equating to nearly £2.5m during the year.

During the year, Pricewaterhousecoopers were engaged to carry out a comprehensive review of the service between March 2023 to October 2023. The review concluded with a number of key transformation recommendations which are now being taken forward.

"Work has begun to implement a differentiated set of processes for SEND and mainstream transport with clear responsibilities across teams for each aspect of the process, including identifying where specialist roles may need to be deployed".

## **Children in Care Placement Sufficiency**

To provide care and homes for our children in care, which meets their needs and care plan, within Central Bedfordshire, as close to their families and communities as possible.

Sufficiency plan includes fostering transformation, including the implementation of an appropriate Model of fostering to support and recruit fostering families.

An extension of the Council's residential provision to ensure the right care for children within Central Bedfordshire. Expand the Council's residential care offer to support edge of care services and support children to remain in the care of their families, where possible.

Enhance the Council's care experienced housing provision with training flats and housing for separated migrant children when they become adults. To work with health colleagues in the ICB to provide a joint care provision for children with complex mental health concerns when they are stepping down from Tier 4 provisions.

Implement the action plan to progress the matters identified during the Corporate Peer Challenge.

### Comments

Since approval of the CiC Sufficiency Strategy, work has been progressed under 3 core workstreams, seeking to ensure sufficiency of provision and service improvement.

This has over the last 12 months resulted in:

- delivery of 2 new, CBC owned, properties which are available for use by the service for Children's Residential Placements
- Launch of Phase 1 fostering portal supporting new enquirers to application stage
- Foster Carer survey to inform training and support needs
- Engagement with DfE to support a regional fostering hub within the Eastern Region
- Recruitment of additional resource and soft launch of staying close model for care leavers
- Supporting accommodation providers with OFSTED registration following a change in legislation

A deep dive review across sufficiency has also recently been undertaken in Q4 of 2023, to inform the Action Plans for years 3 –5 of the Sufficiency Strategy. This work is ongoing and will conclude by Autumn 2024.

Three year sufficiency plan reviewed quarterly by the Corporate Parenting Panel.

## Looking Forward: Key Governance issues identified for 2024/2025

Key governance issues identified for 2024/25 are set out below:

### 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:

1. Agree key strategic priorities and communicate them urgently and finalise a full Council Plan.
2. Develop the MTFP developed and aligned to the strategic Council Plan, with clear understanding and collective accountability from the Executive.
3. Political leadership to engage with partners to support the development of the strategic priorities for the place.
4. Establish and roll out a member development programme.
5. Strengthen corporate governance arrangements.
6. Establish working protocols between officers and members.
7. Prepare the organisation and partners for medium-term financial challenges.
8. Continue to reduce silo working across the council and establish collective responsibility.

### Review of Constitution

It has been identified that various elements of the Constitution require refresh and update in order to reflect changes in legislation and current best practice as set out below:

- Part 2 Article 12 Decision Making
- Part 3C Overview and Scrutiny Arrangements and Terms of Reference
- Part 3E Scheme of Delegation to Directors and other Officers
- Part 4A Council Procedure Rules
- 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)
- Part 5B Arrangements for Dealing with Standards Allegations

### Social Housing (Regulation) Act 2023 – New Regulatory Regime for Social Housing

The Council owns and manages circa 5,500 homes, and over recent years has been increasing the stock by an average of 89 new homes per annum. The Social Housing (Regulation) Act (the “Act”) as well as the Building Safety Act (2022), strengthens the governments far-reaching transformation across the entire Housing Sector.

The new Social Housing Act is intended to reform the regulatory regime and drive significant change in landlord behaviour, ensuring that residents living in social

housing are safe, listened to, live in good quality homes, and have access to redress when things go wrong. This should mean that residents are treated with dignity and respect by professional housing managers. Importantly, the Act introduced new Consumer Standards effective from 1<sup>st</sup> April 2024, with oversight from the Social Housing Regulator (SHR).

In summary, the scope of the visible changes introduced by the new Act are outlined succinctly below:

- Implementation of the Competence and Conduct Standard, whereby housing managers must be professionally qualified and all housing staff have up-to-date skills, knowledge, and experience, with the right behaviours to deliver a high quality, professional service and treat residents with respect.
- Changes to the relationship between the SHR and the Housing Ombudsman, including a much closer alignment between the two organisations.
- “In-depth assessment” (or inspection) regime. There are 5 areas of assessment: Governance, Financial Resilience, Strategy, Structure, Risk profile/mitigation.
- Requirement for statutory role(s), the first related to the accountability for tenants safety in their homes.
- Tenant Satisfaction Measures (TSMs), to be reported on annually.
- New provisions enable the Regulator to give notice to require a social landlord to prepare and implement a performance improvement plan where that social landlord is failing to meet regulatory standards.
- Previously, there was a serious detriment test that limited the scope of the SHR’s interventions. This test is removed by the new Act. This change, as well as unlimited fines, does provide the SHR with substantial interventionist powers.

From a Governance perspective, it is important that effective, broad, and in-depth engagement with tenants and leaseholders enables them to influence Council decisions. The focus for 2024/5 will be to embed the new regulatory regime and to strengthen tenant engagement, whilst focusing upon resident’s health and safety and on complaint resolution at the earliest opportunity. During 2024/5, officers will focus on members’ awareness of their responsibilities related to the sector-wide changes taking place, beginning with learning and development sessions for members that will also involve Council tenants.

## **STATEMENT OF INTERNAL CONTROL 2023/24**

### **Head of Internal Audit & Risk opinion**

For the twelve months ended 31 March 2024 - based on the established frameworks, work we have undertaken 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 on 24 May 2024.

**Clint Horne FCCA**

**Head of Internal Audit and Risk**

## Appendix 1 – Strategic Risk Register

Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This puts us in a stronger position to deliver our goals and provide excellent services. Our Strategic Risk Register is regularly reviewed, and our risks are being effectively managed.

#	Risk Ref	Strategic Risk	Residual (Mitigated) Score - Jan 2024
1	STR0044	Rising inflation and the cost-of-living crisis	16
2	STR0040	Political and economic uncertainty arising from UK leaving EU and other significant international events.	12
3	STR0032	Unsustainable market for social care.	12
4	STR0001	Continuing significant reduction in or redirection of funding due to Central Government cuts, or loss of grant or other funding e.g. Health funding, Schools' Finance Regulations.	12
5	STR0042	Failure to deliver a coherent educational landscape	12
6	STR0037	Failure to support vulnerable people and families, which results in higher demand for more intensive services.	12
7	STR0033	The impact of cyber-crime.	12
8	STR0046	The Council does not deliver on its commitment to be Net Zero in it's operations by 2030	12
9	STR0047	Local Political Volatility	12
10	STR0045	Inability to recruit and retain staff of appropriate skills and experience to deliver services	9
11	STR0036	Failure to deliver social cohesion.	8
12	STR0009	Fragility / Failure of partners compromising public services and increasing costs to the Council	8
13	STR0008	Failure or disruption to key elements of core infrastructure (data centre, environment and networks) leading to no functionality for more than 24 hours.	8
14	STR0013	Information Management: a lack of consistent information management and data accuracy across the organisation and the risk of non-compliance with the Data Protection Legislation.	8
15	STR0041	Failure to enact the changes we seek to move the organisation forward.	6

## **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 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.

## FINANCE LEASE

A lease that transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Under this type of lease, the organisation paying the lease is

treated as if it owns the goods and is required to include such finance leased assets on the Balance Sheet.

#### 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.

#### 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.

## 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.

## OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor. An operating lease is commonly used to acquire equipment on a relatively short-term basis and the lease term is short compared to the useful life of the asset or piece of equipment being leased.

## 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 at all times 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, 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 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.

## SLIPPAGE

A delay in the progress of a capital scheme from the start date and payment flows originally allowed for in the approved Capital Programme.

## 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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By telephone: 0300 300 4559 or 6273 (c/o Sarah Michael, Service Director Finance)

By email: [sarah.l.michael@centralbedfordshire.gov.uk](mailto:sarah.l.michael@centralbedfordshire.gov.uk)  
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