Draft Statement of Accounts

Bristol City Council,
for the year ended
31 March 2026

The Accounts and Audit Regulations 2015 require the city council to prepare a set of Financial Statements.

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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GLOSSARY OF TERMS

ACCOUNTING PERIOD - This is the length of time covered by the accounts. This is normally a period of 12 months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCOUNTING POLICIES – The rules and practices adopted by the Council that determine how the transactions and events are reflected in the accounts.

ACCRUALS - The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

ACTUARY - An independent consultant who advises on the financial position of the Pension Fund.

ACTUARIAL GAINS AND LOSSES - For a defined benefit pensions scheme, the changes in actuarial deficits or surpluses that arise because either:

Events have not coincided with the actuarial assumptions made for the last valuation; or

The actuarial assumptions have changed

ACTUARIAL VALUATION - Every three years a review is carried out by the actuary on the Pension Fund's assets and liabilities reporting to the Council on the Fund's financial position and recommended employers' contribution rates.

AMORTISATION - The writing off, of a loan balance or intangible asset over a period to revenue.

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 asset is something that the Council owns that has a monetary value. Assets are either current or long term.

- A current asset is one that will be used by the end of the next financial year (e.g. stock, debtors)
- A long term (fixed) asset provides the Council with benefits for a period of more than one year (e.g. property, plant, and equipment).

BALANCE SHEET - The Balance Sheet is a financial statement summarising the overall financial position of the Council at the end of the financial year.

BILLING AUTHORITY - The billing authority is responsible for levying and collecting the Council Tax in its area, both on its own behalf and that of its precepting authorities.

BUDGET - The budget represents a statement of the Council's planned expenditure and income.

CAPITAL ADJUSTMENT ACCOUNT - This is the money set aside in the Council's accounts for capital spending and to repay loans.

CAPITAL CHARGES - This is a charge made to the Council's service revenue accounts to reflect the cost of utilising property, plant, and equipment in the provision of services.

CAPITAL EXPENDITURE - Expenditure on acquisition of a non-current asset or expenditure that adds to and not merely maintains the value of an existing asset.

CAPITAL FINANCING - This describes the various sources of money used to pay for capital expenditure. Capital expenditure can be funded from external sources, such as borrowing, capital grants and by contributions from the internal sources, such as capital receipts and reserves.

CAPITAL RECEIPT - A capital receipt is the income that results from the sale of land, buildings and other capital assets. A specified portion of this may be used to fund new capital expenditure. The balance must be set-aside and may only be used for paying off debt, not for funding new revenue services.

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 short-term, highly liquid investments that are readily convertible to cash, for example bank call accounts.

CODE - The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

COLLECTION FUND – A fund operated by the billing authority into which all receipts of Council Tax and National Non-Domestic Rates are paid. Payments are made from the fund to support the Council's general fund services and to the precepting authorities and the NNDR pool. The fund must be maintained separately from the Council's General Fund.

COMMUNITY ASSETS - Assets that the Council intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal, such as parks and historic buildings.

COMPRESHENSIVE INCOME AND EXPENDITURE ACCOUNT – A statement which details the total income received and the expenditure incurred by the Council during a year in line with IFRS reporting as required by the Code.

CONTINGENT ASSET - A possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

CONTINGENT LIABILITIES - A contingent liability is either:

- A possible obligation arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Council

  or

- A present obligation arising from past events where it is not probable that there will be an associated cost, or the amount of the obligation cannot be accurately measured.

COUNCIL TAX - A system of local taxation, which is set by both the billing and precepting authorities at a level determined by the revenue expenditure requirement for each authority, divided by the Council Tax Base for its area.

COUNCIL TAX BASE - An amount calculated by the billing authority, by applying the band proportions to the total properties in each band to ascertain the number of band D equivalent properties in the authority's area. The tax base is also used by the precepting and some levying bodies in determining their charge to the area.

CREDITORS - Amounts of money owed by the Council for goods or services received.

CURRENT ASSETS - Items that can be readily converted into cash.

CURRENT LIABILITIES - Items that are due to be paid immediately or in the short term.

DEBTORS - Amounts of money owed to the Council for goods or services provided.

DEDICATED SCHOOLS GRANT (DSG) - A ring-fenced grant from the Department for Education paid to Local Education Authorities for the Education of Children and Young Adults up to the age of 25.

DEPRECIATION - A provision made in the accounts to reflect the cost of consuming assets during the year, e.g. a vehicle purchased for £30,000 with a life of five years would depreciate on a straight-line basis at the rate of £6,000 per annum. Depreciation forms part of the 'capital charges' made to service revenue accounts and is covered by International Accounting Standard (IAS) 16.

DIRECT REVENUE CONTRIBUTIONS - Funding of capital expenditure directly from revenue budgets.

EARMARKED RESERVES - Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish a provision.

EXIT PACKAGES - The cost to the Council of early termination of staff employment before normal retirement age.

EVENTS AFTER THE BALANCE SHEET DATE (POST BALANCE SHEET EVENTS) - Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXTERNAL AUDITOR - The auditor appointed by the Public Sector Audit Appointments (PSAA) to carry out an audit of the Council's accounts. The current auditor is Grant Thornton UK LLP.

FAIR VALUE - Fair Value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no motive in their negotiations other than to secure a fair price.

FINANCE LEASE - A contractual agreement for the use of an asset, where in substance the risks and rewards associated with ownership reside with the user of the asset (lessee) rather than the owner (lessor).

FINANCIAL YEAR - The local authority financial year starts on 1 April and ends on the following 31 March.

GENERAL FUND - This is the main revenue account of the Council. The fund includes the cost of all services provided which are paid from Government grants, generated income, NNDR retention and the City Council's share of Council Tax. It excludes the Housing Revenue Account. By law, it includes the cost of services provided by other bodies who charge a levy to the Council.

GOVERNMENT GRANTS - Grants made by the Government towards either revenue or capital expenditure to help with the cost of providing services and capital projects. Some of these grants have restrictions on how they may be used whilst others are general purpose.

GROUP ACCOUNTS – Where a Council has a material interest in another organisation (e.g. a subsidiary organisation) group accounts must be produced. These accounts report the financial position of the Council and all organisations in which it has an interest.

HERITAGE ASSET - Assets held and maintained principally for their contribution to knowledge and culture. Examples of Heritage Assets are historical buildings, civic regalia and museum and gallery collections.

HOUSING REVENUE ACCOUNT (HRA) - The HRA includes expenditure and income arising from the provision of rented dwellings. It is, in effect, a landlord account. Statute provides for this account to be separate from the General Fund and any surplus or deficit must be retained within the HRA.

IMPAIRMENT - This is where the value of an asset falls below the carrying value in the accounts and so to reflect the commercial reality of the situation a charge is made in the running costs.

INFRASTRUCTURE ASSETS – Non-current assets that are unable to be readily disposed of, the expenditure on which is recoverable only by continued use of the asset created. Examples are highways and footpaths.

INTANGIBLE ASSETS - Assets which do not have a physical form but provide an economic benefit for a period of more than one year for example software licences.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) – International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB).

INVENTORIES – Goods that are acquired in advance of their use in providing services of their resale.

LEASING - Method of financing the acquisition of capital assets, usually in the form of operating or financing leases.

LIABILITIES - Amounts the Council either owes or anticipates owing to others, whether they are due for immediate payment or not.

MAJOR REPAIRS RESERVE (MRR) - This reserve is for capital expenditure on HRA assets.

MINIMUM REVENUE PROVISION (MRP) - A statutory amount, that must be charged to revenue, to provide for the redemption of debt.

MOVEMENT IN RESERVES STATEMENT – This financial statement presents the movement in usable and unusable reserves (the Council's total reserve balances).

NATIONAL NON-DOMESTIC RATE (NNDR) – More commonly known as 'business rates', these are collected by billing authorities from all non-residential buildings. Since 1 April 1990 the poundage level has been set by the Treasury. Amounts payable are based on rateable values multiplied by this poundage level.

NET BOOK VALUE - The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amounts provided for depreciation.

NON-CURRENT ASSETS - Assets which yield a benefit to the Council for a period of more than one year.

NON-OPERATIONAL ASSETS - Fixed assets held by a Council, but not directly occupied, used, or consumed in the delivery of services; for example, investment properties and assets surplus to requirements held pending sale or redevelopment.

OPERATING LEASE - This is a lease where the effective ownership of the asset remains with the lessor.

OPERATIONAL ASSETS - Fixed assets held and occupied, used, or consumed by the Council in the direct delivery of those services for which it has either a statutory or a discretionary responsibility.

OUTTURN - This is the actual level of expenditure and income for the financial year.

PENSION FUNDS - For the Local Government Pension Scheme, the funds that invest employers' and employees' pension contributions to provide pensions for employees on their retirement and pensions for employees' dependants in the event of death of an employee.

PENSION STRAIN - The cost to the Council of reimbursing the Pension Fund should it agree to employees aged 55 and over drawing their pension before normal retirement age.

PRECEPT - This is the method by which a precepting authority (Avon and Somerset Police & Crime Commissioner, Avon Fire Authority) obtains income from the billing authority to cover its net expenditure. This is calculated after deducting its own Revenue Support Grant. The precept levied by the precepting authority is incorporated within the Council Tax charge. The Council pays the amount demanded over an agreed time scale.

PRIOR YEAR ADJUSTMENT - A material adjustment applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

PRIVATE FINANCE INITIATIVE (PFI) - PFI started in 1997/98 and offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

PROPERTY, PLANT AND EQUIPMENT (PPE) - Covers all tangible (physical) assets used in the delivery of services, for rental to others, or for administrative purposes, that are used for more than one year.

PROVISIONS - Amounts set aside to meet liabilities or losses which are likely or certain to be incurred but where the amount due or the timing of the payment remains uncertain.

PRUDENTIAL CODE - The Prudential Code frees authorities to set their own borrowing limits having regard to affordability. To demonstrate this has been done, and enable adherence to be monitored, authorities are required to adopt a number of appropriate 'Prudential Indicators'.

PUBLIC WORKS LOAN BOARD (PWLB) - A body, part of the Debt Management Office (a government agency) which lends money to public bodies for capital purposes. At present nearly all borrowers are local authorities. Monies are drawn from the national Loans Fund and rates of interest are determined by the Treasury.

RATEABLE VALUE - The Valuation Office Agency (part of HM Revenue and Customs) assesses the rateable value of nondomestic properties. Business rate bills are set by multiplying the rateable value by the year's NNDR poundage (which is set by the Government). Domestic properties no longer have rateable values; instead they are assigned to one of the eight council tax valuation bands.

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
- the parties are subject to common control from the same source
- one party has influence over the financial and operational policies of the other party to the extent that the other party might be inhibited from pursuing its own 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 interests. Examples of related parties include central government, other local authorities and other bodies' precepting or levying demands on the Council Tax, its members and its chief officers.

RESERVES - An amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. A distinction is drawn between reserves and provisions (see above), which are set up to meet known liabilities.

REVALUATION - Recognises increases or decreases in the value of non-current assets that are not matched by expenditure on the asset; gains or losses are accounted for through the revaluation reserve.

REVENUE EXPENDITURE – The regular day to day running costs of items including salaries and wages and other running costs incurred to provide services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFFCUS) - Expenditure which is legitimately financed from capital resources, but which does not result in, or remain matched with tangible assets.

RIGHT OF USE ASSETS - Asset on a Council's balance sheet that represents the right to use an underlying asset, such as a building or equipment, for a specific period as defined by a lease agreement.

SURPLUS ASSETS - Assets not being used in the delivery of services that do not qualify as being 'held for sale' under accounting guidance.

SOFT LOANS - Funds received and advanced at less than market rates.

UNSUPPORTED BORROWING - Local authorities can set their own borrowing levels based upon their capital need and their ability to pay for the borrowing, costs are not supported by the Government so services need to ensure they can fund the repayment costs. The borrowing may also be referred to as Prudential Borrowing.

USABLE CAPITAL RECEIPTS - This represents the amount of capital receipts available to finance capital expenditure in future years, or to provide for the repayment of debt.

Executive Summary

The Narrative Report provides an overview of Bristol City Council's financial and operational performance for the year ended 31 March 2026. It explains how the Council has used its resources to deliver its services and priorities, and how this is reflected in the financial statements.

It sets out the Council's financial position, key risks and the outlook for the medium term, placing the financial results for the year within the wider strategic and economic context.

Overall financial position

The Council operated in a challenging financial environment during 2025/26, characterised by increasing need for statutory services, rising costs and continued funding uncertainty.

Despite this context, the Council has continued to deliver against its Corporate Strategy priorities, including supporting vulnerable residents, improving housing outcomes and progressing climate and place-based investment.

For the year ended 31 March 2026, the Council delivered a £3.1m surplus position on the General Fund, managing total net expenditure of £581.1m during the year, as reported in the Comprehensive Income and Expenditure Statement.

Key cost drivers

There were material cost drivers across a number of service areas during the year, in particular:

Children's Services

Increases in care placements, particularly external and specialist provision, alongside growing complexity of need and market capacity constraints.

Special Educational Needs and Disabilities (SEND)

Sustained growth in Education, Health and Care Plans (EHCPs), demand for specialist placements and associated transport costs, resulting in increased expenditure and a continuing deficit position within the Dedicated Schools Grant (DSG).

Adult Social Care

Growth in demand and increasing acuity of need, particularly in residential and nursing care, alongside market cost increases and workforce challenges.

Housing and homelessness

Ongoing demand for temporary accommodation and limited supply of affordable housing, increasing reliance on higher-cost provision.

These drivers are consistent with those experienced nationally across local government and remain central to the Council's medium-term financial position.

Dedicated Schools Grants

The DSG position remains a significant financial challenge, with an in-year deficit of £29.5m million and a cumulative deficit of £85.4m million at 31 March 2026, subject to national funding arrangements and local recovery plans.

Financial management and response

The Council continues to operate a strong financial management framework to respond to these cost and demand drivers.

During the year this included:

- Delivery of a savings programme of £55.0m million (92.7% of target)
- Implementation of in-year recovery actions across services
- Continued application of corporate spending controls

These actions enabled the Council to manage in-year cost and demand variation and deliver an overall balanced financial position.

Reserves and financial resilience

The Council's reserves provide an important level of financial resilience.

At 31 March 2026:

- General Fund reserves totalled £40.9 million
- Earmarked reserves totalled £169.7 million

Reserves are used to manage risk and support transformation and investment. However, the continued use to support the financial position highlights the underlying gap between ongoing expenditure and available funding.

Capital investment and borrowing

The Council continues to deliver a significant capital investment programme aligned to its strategic priorities.

Capital expenditure for the year was £282.7 million, with some expenditure reprofiled into future years reflecting programme complexity and delivery timelines.

The Council continues to manage its borrowing position prudently, balancing investment need with affordability.

Financial sustainability and outlook

The Council's medium-term financial position remains challenging.

Key risks to financial sustainability include:

- Continued demand growth in statutory services, particularly social care and SEND
- Rising costs driven by inflation and market conditions
- Delivery of future savings and transformation
- Uncertainty in the national funding environment

The Medium-Term Financial Strategy sets out the Council's approach to managing these challenges.

While the Council remains financially stable at 31 March 2026, the underlying position is finely balanced and subject to material risk, requiring continued active management.

Introduction

This Narrative Report provides an overview of the Council's financial and operational performance for the year ended 31 March 2026 and should be read alongside the Statement of Accounts and the Annual Governance Statement (AGS).

The Council continues to operate in a challenging financial environment, with rising costs, increasing demand for statutory services and ongoing uncertainty in the national funding environment for local government.

As set out in the Annual Governance Statement, the Council has maintained effective governance, financial management and internal control arrangements during the year, supporting the proper stewardship of public funds and delivery of its Corporate Strategy priorities.

Within this context, this report explains how the Council has used its resources during the year, how financial performance has been managed, and how this is reflected in the statutory financial statements.

Andy Rothery
Executive Director of Resources (S151 Officer)

Narrative report

The narrative report provides information on the council and its main objectives. The report looks at the link between our resources, our strategy, how we've helped deliver intended outcomes and created value throughout 2025/26, as well as the principal risks to which the council is exposed. The content of the narrative report is as follows:

Background

Our Services

Our performance

Financial Performance

About Bristol City Council

About Bristol

Bristol is the largest city in the South West of England, covering an area of 110 square kilometres. It one of the 12 'Core Cities' and has a population of around 483,000. Over the last decade, Bristol's population has grown by an estimated 44,000 people, this is a 10 per cent increase.

Over 70,000 people – equating to 15 per cent of the population – live in the top 10 per cent most deprived areas in England. This includes 17,900 children and 7,600 older people. In total, more than one in five children live in poverty in the city, and 27,560 households are in fuel poverty.

This reality sits alongside the city's £15 billion economy, thriving business sector and one of the highest retention rates for graduates in the country. Bristol is therefore a city of contrasts, with significant strengths alongside areas of deprivation and inequality, which presents a complex set of challenges for the Council.

There are 43,700 full-time students aged 18 and over living in Bristol, making up 9.2 per cent of the total population. However, despite having two world-class universities, Bristol has relatively low rates of progression to higher education compared with national averages.

Bristol is an increasingly diverse city, with at least 45 religions, 185 countries of birth, 287 different ethnic groups and around 90 main languages spoken. Approximately 28.4 per cent of residents belong to a minority ethnic group.

The city has a growing global reputation and has been recognised for its achievements across a range of sectors. Bristol is a UNESCO City of Film and a UNESCO Learning City.

What the Council does

Bristol City Council provides a wide range of services to residents, businesses and communities. These include statutory services, such as social care and education, alongside local services that support the city's economy, environment and infrastructure.

Many of the Council's services are demand-led, particularly in social care and services supporting children and young people. The scale and complexity of these services have a significant influence on the Council's financial position.

Core Services:

The Council's services are reported in the Comprehensive Income and Expenditure Statement (CIES) under the following service segments:

- Adult & Communities
- Children & Education
- Resources
- Growth & Regeneration
- Housing
- Housing Revenue Account
- Dedicated Schools Grant
- Corporate Funding & Expenditure

These groupings reflect how financial performance is reported in the Statement of Accounts. The service descriptions below provide further detail on the activities included within these areas.

Adults, Children, Education and Public Health:

- Education, Learning and Skills Improvement
- Special Educational Needs and Disability
- Safeguarding vulnerable adults and children
- Social care and support for children, young people and adults including the elderly
- Support for carers Commissioning services
- Environmental Health services
- Public Health General Fund
- Coordinates Bristol's response to crime, community safety and antisocial behaviour.

Growth & Regeneration:

- Museums and Culture & Creative Industries
- Property
- Economic development
- Energy services
- Library services
- Community Services Parks and open spaces
- Licensing
- Housing and Landlord Services
- City Transport
- Traffic & Highways Maintenance
- Bristol Harbour services
- Planning and Regeneration
- Sustainable City & Climate Change

Resources:

Provides internal support and enabling services including:

- Digital Transformation and ICT
- Finance, Audit & Procurement
- Workforce and Change
- Policy, Strategy and Communications
- Legal and Democratic Services
- Revenues & Benefits

Ring-fenced Accounts:

Housing Revenue Account:

- Accounts for the management and maintenance of around 32,000 residents in 26,756 properties in Bristol..

Dedicated Schools Grant:

- Grant funding the majority of the council's expenditure on schools and supporting children with additional and special educational needs and disabilities (SEND). The grant can only be used to meet expenditure properly included in the school's budget.

Public Health:

- An annual ring fenced grant from the Department of Health. Funds the council's statutory duties to improve public health.

We work with local partners (including charities, businesses and other public services providers like the police and the NHS) as well as residents to determine and deliver local priorities.

Workforce:

Our 70 elected councillors represent the people of Bristol and set the overall policy of the council.

- Overall our workforce comprises 5,901 'full time equivalent' employees and 2,733 employees within our locally maintained schools.

Governance:

The Council is responsible for conducting its business in accordance with the law and for ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council is committed to maintaining high standards of governance, including:

- Robust systems of internal control
- Clear and transparent decision-making
- Accountability for the use of resources

The Council's governance arrangements are set out in its Code of Corporate Governance, which reflects the principles of good governance and places the Council's vision and values at the centre of its activities.

The Council also complies with the CIPFA Financial Management Code, which sets the professional standard for financial management in local authorities.

The Annual Governance Statement, published alongside this report, sets out how the Council has maintained effective governance arrangements and identifies key areas for ongoing improvement.

Strategic Context

External and Local Context

The Council operates within a complex and evolving external environment. National and international factors, including cost of living impacts and global instability, continue to influence markets, prices and demand for services.

During 2025/26, key national and global factors included:

- Ongoing cost of living impacts affecting residents and increasing demand for support
- Rising costs affecting pay, contracts and capital delivery
- Ongoing uncertainty in government funding for local authorities

At a local level, Bristol continues to experience:

- Population growth and increasing service demand
- Significant inequality, with areas of high deprivation alongside economic growth
- Sustained demand for housing and homelessness services, alongside limited supply of affordable housing

These factors contribute to increasing demand for the Council's services, particularly in social care, housing and SEND, and are key drivers of the Council's financial position.

Key Priorities and Service Delivery

- The Council's priorities are set out through its Corporate Strategy and its partnership approach across the city.
- The Council works with a wide range of partners through the One City Approach, bringing together public, private and voluntary sector organisations. The One City Plan sets out a shared vision to 2050, outlining how partners will work together to make Bristol a fair, healthy and sustainable city.

Delivery of these priorities is supported through:

- Revenue expenditure on core services
- Capital investment programmes
- Partnership working across organisations

The Council continues to focus on improving outcomes for residents, addressing inequality and supporting economic and environmental sustainability, while managing the cost and demand drivers set out in the following sections.

Performance Overview

Summary of Performance

The Council monitors its performance across a range of services to assess how effectively it is delivering its priorities and responding to the needs of residents.

Overall, performance in 2025/26 reflects:

- Continued high need for key services, particularly in social care, housing and SEND
- Delivery of improvement activity in priority areas, including housing and education
- Ongoing challenges in achieving some performance targets due to demand, resource constraints and wider economic factors
- Delivery of improvement activity in SEND services, including increased completion of Education, Health and Care Plans (EHCPs) and expansion of specialist provision
- Progress in housing services, including improvements in safety compliance and reduction in high-risk backlog areas
- Delivery of climate and infrastructure investment programmes aligned to the Council's Net Zero ambitions

Performance information is considered alongside financial monitoring to support decision-making and ensure that resources are targeted effectively.

Key Performance Indicators

The Council reports a range of key performance indicators across its service areas. These indicators provide insight into service delivery, outcomes and trends over time.

Performance Overview

Key facts: Communities & living

66,374
Anti-social incidents reported (2025/26).
(**63,110** 2024/25)

11,315
Engagement with community development work (2025/26).
(**10,750** 2024/25)

6,457
Community clean-up participants (2025/26).
(**6,332** 2024/25)

Key facts: Housing

1,703 new homes built in Bristol in 2024/25. (**1,433** 2023/24)

687
affordable homes built in Bristol in 2025/26
(**535** 2024/25)

71 people sleeping rough in a single night in 2025/26 in Bristol compared with **82** in 2025. (BCC bi-monthly count - March 2026)

Key facts: Adult Social Care

4,076
adults were receiving a community-based social care support as of end March 2026
(**4,145** End of March 2025)

1,438
Care Home places funded as of end March 2026 (**1,429** at end March 2025)

Performance Overview

Key facts: Culture & Creativity

791,240
Visitors to Bristol Museums, Galleries & Archives (2025/26).
(**757,294** 2024/25)

Key facts: Education

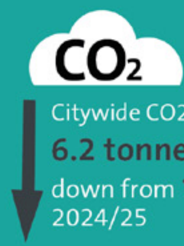
59% of Primary school pupils met the standard in reading, writing and Maths (2024/25).
(**56%** 2023/24)

64.9% of Secondary school pupils achieved grades 4 or above in English and Maths GCSEs (2024/25). (**63.4%** 2023/24)

Key facts: Transport and sustainability

39.8m passenger bus journeys in 2025/26.
(**39.7m** in 2024/25)

46.9% of all household waste was sent for reuse, recycling and composting in 2025/26.
(**44.8%** 2024/25)



Citywide CO2 emissions
6.2 tonnes in 2025/26
down from **7.2 tonnes** in 2024/25

339kg

total household waste in 2025/26.

Up from **337kg** in 2024/25

31% Road condition satisfaction in 2025/26.
(Up from **26%** in 2024/25)

Key facts: Economy & employment

256,200 working age residents were in employment in December 2025.

Median earnings

Financial performance

Overall Financial Position

This section provides further detail on the Council's financial performance for 2025/26, based on the provisional outturn reported through the Council's budget monitoring framework. It explains how service-level variances and corporate management actions contributed to the overall financial position and how this aligns to the statutory financial statements.

The overall position reflects service-level variances across key demand-led services, offset through corporate management actions, including delivery of savings and the use of centrally held resources.

For the year ended 31 March 2026, the Council delivered a £0.2m surplus position on the General Fund, based on the provisional outturn reported through the Council's budget monitoring framework. This position reflects the impact of in-year cost and demand drivers, offset through management action and the use of corporate resources.

Total net revenue expenditure for the year was £597.6m against a revised budget of £597.9m, resulting in a variance of £0.3m. This position was achieved through a combination of service-level management action, delivery of planned savings of £55.0m (92.7% of target), and the application of corporate mitigations.

Despite the overall position, there were material underlying cost and demand drivers across a number of services. These included:

- Children's Services, where costs associated with placements and demand exceeded budget
- Adult Social Care, reflecting increasing demand and complexity of need
- Housing and homelessness services, driven by sustained demand for temporary accommodation and limited supply of affordable housing
- SEND, driven by continued growth in demand and associated costs within the Dedicated Schools Grant (DSG)

The Council has continued to apply a robust financial management approach, including in-year monitoring, recovery planning and corporate controls, to manage these cost and demand drivers. While the overall financial position for the year was broadly balanced, the underlying position remains challenging, reflecting ongoing differences between the cost of delivering services and available funding.

Further detail on the Council's performance against budget, and how this differs from the statutory accounting position, is set out in the sections that follow.

Revenue Budget Outturn

The table below sets out the Council's provisional revenue outturn position for 2025/26, as reported to the Strategy and Resources Committee. It is prepared on the Council's budget monitoring basis and shows performance against the approved and revised budgets, including service-level variances and corporate management actions. Overall, service-level overspends were offset by underspends in corporate budgets and financing, resulting in a broadly balanced position for the year.

The figures presented above reflect how financial performance is monitored and reported internally. They differ from the statutory financial statements, which are prepared in accordance with the Code of Practice on Local Authority Accounting. The statutory accounts apply a number of accounting adjustments, including the treatment of capital expenditure, pension costs and other technical items, which are not reflected in the Council's budgetary framework.

Financial performance

Service Net Expenditure Summary	Full Year 2025/26 Approved Budget	Revised Budget	Outturn	Outturn Variance
				£m
8 - Adult & Communities	209.431	215.558	219.221	3.663
9 - Children & Education	144.340	148.662	163.171	14.509
4 - Growth and Regeneration	43.829	43.616	44.041	0.425
2 - Resources	49.699	60.993	57.341	(3.652)
G - Housing	22.570	22.404	22.211	(0.193)
Service Net Expenditure	**469.868**	**491.234**	**505.985**	**14.751**
X2 - Levies	2.614	12.405	12.622	0.217
X3 - Corporate Expenditure	65.721	29.946	16.815	(13.131)
X4 - Capital Financing	29.098	31.003	24.673	(6.330)
X6 - Year–end Transactions	-	32.502	32.502	-
X9 - Corporate Allowances	4.148	0.821	0.043	(0.778)
Total Revenue Net Expenditure	**571.449**	**597.911**	**592.640**	**(5.271)**
X8 – Corporate Revenue Funding	(571.449)	(597.911)	(592.819)	(5.091)
Total Revenue Net Expenditure	**-**	**-**	**(0.180)**	**(0.180)**

The budget recognised the challenging financial context in which the Council operates. Rising living costs, global supply constraints, labour shortages and increases in pay and contract costs, combined with continued growth in demand for core services, have impacted the Council's financial position. These factors, alongside uncertainty in funding and cost levels, continue to test the Council's ability to deliver front line services.

When the budget was set for 2025/26, it included the identification and expected achievement of significant savings, underpinning the council's financial stability and ability to live within our means, as well as enabling the Council to manage the transitions expected in terms of funding under reforms ahead. The MTFP total savings target for 25/26 amounted to £48.9 million, with additional business cases agreed of £2.4 million, giving a total General Fund savings due in 2025/26 of £51.3 million. HRA savings totalled £8 million, giving a total saving target of £59.3 million. Of this £55 million (92.8%) were delivered in year, with the remainder mitigated in year. Savings totalling £6.9 million are expected to roll forward into 2026/27, reflecting schemes where delivery has been delayed rather than removed. £1 million of these savings relate to the HRA.

Financial performance

Expenditure Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) below provides a reconciliation between the Council's financial performance reported on a budget monitoring basis and the figures presented in the Comprehensive Income and Expenditure Statement (CIES).

The final statutory position for the year is reported in the Comprehensive Income and Expenditure Statement within the Statement of Accounts.

EFA Table

Full Year 2025/26

Net Expenditure Chargeable to the General Fund and HRA Balances		Adjustments			Net Expenditure in the Comprehensive Income and Expenditure Statement
		Note 1	Note 2	Note 3	
	£'000	£'000	£'000	£'000	£'000
Adult & Communities	220,383	3,841	(2,882)	-	221,342
Children & Education	135,842	16,503	(10,107)	-	142,238
Resources	57,596	3,743	(4,813)	-	56,527
Growth and Regeneration	44,807	51,673	(4,480)	-	91,999
Housing	14,078	9,878	(1,284)	-	22,672
Housing Revenue Account	(16,299)	2,279	(3,278)	-	(17,298)
Dedicated Schools Grant	48,426	32	(4,297)	-	44,561
Corporate Funding and Expenditure	17,513	(1,053)	1,718	900	19,078
	522,746	**86,896**	**(29,423)**	**900**	**581,120**

Note 1: Capital adjustments for depreciation, impairment, revaluations and capital financing

Note 2: Pension adjustments

Note 3: Reserve movement for the DSG and adjustments to the collection fund

Note 4: The surplus on the HRA is transferred to reserves for future re-investment in the HRA

Financial performance

Sources of Core Funding

The Council's activities are funded through a combination of Council Tax, retained Business Rates, government grant and other income. During 2025/26 the council continued to pilot 100% business rates retention. Pilot authorities retain 100% of the growth in locally raised business rates. Of this we share 5% with the West of England Combined Authority and 1% with Avon Fire Authority. In return the council forgoes Revenue Support Grant (RSG) and several other funding streams. Each pilot authority's tariffs and top-ups calculated by central government are adjusted to ensure the change is cost neutral and that no individual pilot authority loses out because of these changes.

The council collects £296 million of business rates of which £215.5 million (net of reliefs) is retained in year by the council. This is also net of the tariff of £97 million which the council returns to central government and £13.7 million transferred to the Avon Fire Authority and the West of England Combined Authority.

The Council also collects £358.6 million of Council Tax (on behalf of Avon and Somerset Police and Crime Commissioner, Avon Fire Authority, and itself), of which £299.3 million is retained in year by the council. During the year the Council received £641.5 million of government grant income which was used to fund revenue expenditure. The council generates £1,157.6 million of fees, charges and grants used to deliver services and keep council tax down.

Reserves

Useable reserves have increased overall by £24.6 million. This includes a reduction of the HRA General Reserves of £1.2m million.

£20.2 million of the Unapplied Capital Receipts Reserve was drawn down in the year to fund the Capital Programme. There is a net increase of £8 million to the General Fund Strategic Reserve, which includes budget approved contribution of £20.7 million into the General Fund reserves that were part of the approved balanced budget.

Contributions to reserves includes £10.2 million due to Clean Air Zone operational income. Other increases include £15.8 million of capital receipts and £31.5 million of unapplied capital grants.

The following reserves were created at year-end:

- Temple Island BNG £1.6 million
- Staying Close £0.1 million
- Unfunded Leisure Liabilities £0.3 million
- SW Regional Emergency Mortuary Asset £0.1 million
- S256 Prevention and s117 cost drivers £5 million
- South Bristol Youth Guarantee £0.1 million
- UKSPF Surplus £0.1 million
- NTDI Ringfenced Funding £0.1 million
- Parking Renewals (Pay and Display) £0.1 million

While reserves continue to provide financial resilience, their use to support capital investment and manage in-year cost and demand variation highlights the ongoing challenge of maintaining a sustainable revenue position.

Key Financial Areas

Dedicated Schools Grant (DSG)

The Department for Education (DfE) recognises that the management of Dedicated Schools Grant (DSG) balances, both bringing spend in line with income and repaying deficits, will take time for some local authorities.

A statutory override has been extended by the Department for Levelling Up, Housing and Communities (DLUHC) to March 2026, this gives the local authority (LA) more time to deliver a DSG management plan and mitigations with the aim to bring DSG annual spend back to a sustainable footing. For 2025/26 the DSG had net expenditure of £29.5 million.

Following on from the Delivering Better Value (DBV) programme of works, in 2023/24 Bristol has also entered into the DfE Safety Valve programme from 2024/25 which is critical in addressing the accumulating High Needs expenditure and to demonstrate a sustainable budget position within the agreed recovery timeline.

Schools Reserves – 2025/26 proved to be challenging for the sector and the financial health of LA maintained schools deteriorated by £0.7 million from £5.9 million net deficit to a £6.6 million deficit. All LA maintained schools in deficit are required to submit a deficit recovery plan for 2026/27.

Key challenges remain to be in LA maintained nurseries (MNS). An additional £19.5million uplift in Early Years Block funding in 2025/26 was welcomed in respect to increased provision for 9 months to 2 year olds, whilst this will contribute towards financial sustainability, robust recovery plans will be required to address the accumulated historic deficits which saw an improvement in-year 2025-26 of £0.9 million and currently stand at £5.5 million.

Primary and secondary schools also continue to experience financial challenges despite the increased funding of £25.8 million in DSG Schools Block in 2025/26.

Housing Revenue Account (HRA)

The council also operates a Housing Revenue Account (HRA), which contains the costs of owning and maintaining properties let to tenants, and rental income from those properties. This is held separately from the net revenue budget position shown in the previous table.

HRA Income and Expenditure Statement sets out the financial position for the year, before taking account of the statutory adjustments required to be made to the accounts. The Statement of Movement on the HRA balance reflects these statutory adjustments and shows how the financial performance for the year has impacted on HRA reserves

- The HRA Income and Expenditure Statement shows a net surplus for the year of £21.7 million
- The council manages circa 26,784 homes
- The council collected £139.9 million in dwelling rent in 2024/25 (£124.0 million in 2023/24)
- The council spent £124.3 milling in 2025/26 (£139.5m in 2024/25) on new builds and improvement to existing housing stock.

HRA General Reserves

HRA reserves were decreased by £1.2 million. This included a drawdown of £4.8 million to fund HRA's Capital Programme, £1.2 million to fund the HRA deficit and £1.5 million to fund the HRA's IT Programme.

Key Financial Areas

Capital Investment

Capital expenditure forms a large part of our spending. The Council has an ambitious capital programme to deliver projects that are fundamental to the Council achieving its aspiration to re-shape how we deliver our services as well as helping to unlock revenue savings and efficiencies to secure our on-going financial stability. Overall the Capital Programme for 2025/26 totalled £407m, approved budgets originally set in February 2025. The Capital Programme spending (including revenue expenditure allowed to be funded by capital) during the year totalled £283m. The Capital Programme was financed from a combination of borrowing (£122m) and from grants, contributions and reserves (£161m).

Approved Budget Council £m	Directorate	Revised Budget £m	Outturn £m	Outturn Variance £m	Variance from budget %
7.8	Adult & Communities	7.6	5.2	(2.4)	(32)
42.5	Children & Education	18.0	14.5	(3.5)	(19)
2.7	Resources	4.3	1.7	(2.6)	(60)
151.1	Growth and Regeneration	121.1	105.8	(15.3)	(13)
2.6	Bristol Harbour Fund	1.1	0.9	(0.2)	(18)
12.0	Corporate	10.0	1.0	(9.0)	(90)
358.0	Housing Revenue Account	146.0	139.6	(6.4)	(4)
576.7	**Total**	**308.1**	**268.7**	**(39.4)**	**(236)**
	Financed by:				
73.7	Prudential Borrowing		41.4		
128.9	Capital Grants		80.9		
16.1	Capital Receipts		6.2		
358.0	HRA		139.6		
0.0	Revenue Contributions		0.6		
576.7	**Total**		**268.7**		

The major areas of investment have included:

- £124.3m invested in the Council's housing stock (of which £61m was on new build developments).
- £68.2m invested in transport schemes including Strategic Corridors, Clean Air Zone, Flood defences, Bristol cycling hub, Liveable Neighbourhoods, Bedminster Green regeneration, Housing developments, Rail Stations, New Cut Bridge & Wall improvements, Traffic infrastructure, Street Lighting and Highways maintenance.

- £30.8m invested in tackling homelessness, a programme to acquire properties to provide temporary accommodation.
- £11.1m invested in housing enabling work to accelerate the affordable provision including Hengrove Park, Filwood (new cultural & community hub), Baltic Wharf development and Southmead (Glencoyne) regeneration programmes.
- £8.4m was invested in maintaining school buildings and delivering Special Educational Needs and Disabilities (SEND) expansion, with key investment in the redevelopment of Elmfield School for Deaf Children, and creating additional specialist places at Oasis Academy Long Cross.
- £7.0m invested in the Temple Quarter regeneration programme.
- £4.4m invested in housing adaptations and assistance programme.
- £4.0m invested into sports facilities, improvements at Easton and Horfield Leisure Centres.
- £3.1m invested in digital transformation, improving networks, IT equipment and upgrading the HRA housing management system.
- £2.8m invested in delivering energy efficiencies into homes, decarbonisation heating solutions (air source heat pumps), solar panel technology and Electric Vehicle charge points.
- £2.7m invested in the development of a new Youth Zone in South Bristol.
- £2.7m invested in a significant refurbishment programme of the Bristol music venue, Bristol Beacon.
- £2.1m invested in building maintenance and improvements and property acquisition to support regeneration programmes.
- £1.6m invested in parks and green spaces and sport facilities within parks.
- £1.6m investment with Goram Homes Ltd, a wholly owned subsidiary of Bristol City Council to support delivery of new homes in Bristol.
- £1.2m invested into Children Homes acquiring new properties and refurbishment works and commencement of fostering sufficiency solutions.
- £1.1m invested in new housing opportunities as part of the refugee resettlement programme.

Treasury Management

The 2025–2030 Treasury Strategy identified a medium-term net borrowing requirement of £326 million to support the existing and future Capital Programme.

At the start of the financial year the Council held £600m of external debt, with £70m repaid during the year. The Council borrowed £115m from the Public Works Council Loans Board (a UK government body) in the latter part of the financial year primarily to support the funding of the capital programme and the refinancing of external debt.

Net debt (borrowing less investment) was £621 million at the end of the year. The average level of treasury funds available for investment purposes during the year was £113 million, the balance at the end of the year being £50m. The return for the period was 4.08% compared to the recognised benchmark of 4.01% SONIA (Sterling Overnight Index Average for period).

The council has complied with all treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy and complied with the ethical and equitable investment policy.

Service Investments and Group Entities

The council has investments in subsidiary companies and other service investments. These investments are primarily for outcomes and benefits delivered rather than for yield. The authority has commercial investments which are expected to generate both a commercial and social return. For social investments their primary purposes are to provide service benefits/ social impact while the generation of yield and liquidity is secondary. These are commonly known as impact investments.

Bristol Waste – the council currently has two loan facilities with BWC. Cabinet approved (4 December 2018) a repayable loan facility of £12.7 million to BWC for the replacement of fleet vehicles. As at 31 March 2026, £11.3 million of this loan has been contractually agreed and drawn down. At the start of the financial year £4.3 million of this loan was outstanding and by 31 March 2026 BWC had repaid £1.5 million of the principal plus interest, leaving an outstanding principal balance of £2.8 million. The loan is scheduled to be fully repaid by mid-28/29. In addition, following cabinet approval (26 January 2021) the council has entered into a further loan agreement with BWC for £2.8 million for Phase 2 of the Avonmouth site redevelopment.

This loan also includes interest charges on the principal sum. Borrowing commenced in January 2024, with an initial drawdown of £1.0 million, and then a further drawdown of £1.0 million in August 2024. The balance of £0.8 million is forecast to be drawn down in 26/27.

Goram Homes – the council has approved two loan facilities with Goram. An initial loan of £3.3 million was agreed for its first two sites ('Pipeline 1'). At 31 March 2026, Goram had drawn down £2.4 million so that £0.9 million remains to be drawn down. Cabinet approval currently allows for a loan of up to £4.3 million against this pipeline. A second loan of £4 million has since been agreed for 'Pipeline 2' and Goram has drawn down £2.0 million against this. Cabinet approval currently allows for a loan of up to £10 million against this second pipeline. Both loan agreements include interest charges on the principal sums and £4.5 million is currently outstanding plus accrued interest. It should be noted that a deed of variation to the working capital facility loan agreements was approved in March 2024 to allow greater flexibility for future developments. In addition, the council also issued £18.0 million repayable loan notes representing its transfer of the Romney, Dovercourt, New Fosseway, and Baltic Wharf sites into Goram Home's Joint Ventures for development of those sites. As at 31 March 2026 £3.4 million has been repaid leaving a principal balance outstanding of £16.2 million plus accrued interest. In December 2024, a Funding Agreement was agreed whereby £9.1 million of the West of England Combined Authority funding will transfer to Goram via a 'pass down, back-to-back funding agreement' between the council and Goram to support the development at Hengrove Park. As at 31 March 2026, £0.6 million has been drawn down by Goram.

City Funds LP – the fund is £10.0 million, of which £5.0 million is invested by the council for a minimum duration of 10 years to support the provision of loans to local communities.

During the year a further £0.6 million has been invested by the council and £0.5m repaid bringing the total to £4.2 million.

Other cash investments as at the end of the financial year include investment in Homeless and Temporary Accommodation Property Fund and Great Western Credit Union. These totaled £12.5 million and were in line with business plans and investment reports approved by cabinet.

Pensions

The 31st March 2025 triennial valuation of Avon Pension Fund concluded on 31st March 2026 with the actuary reporting that the whole Fund's assets were sufficient to cover 106% of its liabilities (the funding level) and there was a surplus of £339m in the Fund.

Investment wise, in 2025 global markets shrugged off trade policy concerns to deliver strong returns. Equities increased by 19% with the UK outperforming and Government bonds delivered broadly positive returns, supported by expectations of future interest rate cuts. The Fund in aggregate returned 7.5% during 2025 with assets rising in value.

The Iran war commenced at the end of February 2026 and raises concern about the extent of the economic impacts of the war. The future inflation assumption used by the actuary in the 2025 valuation was 2.6%. Since October 2025, the UK Consumer Prices Index (CPI) annual inflation rate has fluctuated between 3.0% and 3.6% before dropping to 2.8% in April 2026. This is relevant to the value of pension liabilities because LGPS pensions adjust annually in line with the CPI to protect members benefits from inflation. The rate of CPI inflation is above the Bank of England's 2% target which may put pressure on interest rates.

The city council is a member of the Avon Pension Fund. The pension liability as at 31 March 2026 is £55.6 million. This represents the value of what the council owes across future years offset by the value of assets invested in the pension fund. The deficit on the pension fund fell by £47 million over the last year, this was mainly due to changes in actuarial assumptions. The most significant being an increase in the rate used to discount post-employment benefit obligations (from 5.9% to 6.4%).

The funding level (at total Fund level) at 31 March 2026 is estimated to be 108%.

Contingencies

The council has set aside a provision of £20.1 million (Bristol share) within the collection fund for any business rates appeals against ratable values in future years. The magnitude of the provision reflects the on-going fact that the council, as a business rates retention pilot, has a significantly greater exposure to the risk of business rates appeals.

Financial Sustainability, Risks and Outlook

Medium-Term Financial Strategy

The council is required to set an annual balanced budget which presents how its financial resources, or 'revenue', are to be allocated and used. The council's revenue spending plans explain what we intend to spend on statutory services, as well as local key priorities and objectives. The current financial environment remains challenging, with national and international factors largely beyond the Council's control. These include rising costs driven by inflation and pay awards, together with continued growth in demand and associated costs in both adults' and children's social care. As a result, the Council, like others across the country, is operating within an environment of financial uncertainty and variable funding and cost levels.

The 2026/27 budget sets out the financial challenges the council faces including growing demand for our services. Our priority is to protect our valuable frontline services while continuing our work to improve Bristol, making it more inclusive and sustainable. In February 2026 the council agreed a balanced budget for 2026/27. The Medium-Term Financial sees an overall revenue budget for 2026/27 of £634.1 million and a capital budget for 2026/27 of £406.8 million (including the Housing Revenue Account) and aims to balance.

Key Financial Risks and Opportunities

Key risks for 2026/27 are outlined in depth in the budget report to Full Council and reported in the Council's Corporate Risk Register but some of the key financial planning risks that may affect the projections over the medium term and delivery of a balanced budget include, as in previous years, the ongoing demand, and cost, of social care for both Adults and Children and families, the delivery of Special Education Needs and Disability (SEND), homelessness, the achievement of the council's current and future year's budget savings in both their timing and income target and the potential risk of delays in the delivery of the capital programme and capital receipts targets and overspends on major capital projects.

Pay awards, energy prices and risks attached to continued inflation present an ongoing risk to the council. This will need to be monitored over the forthcoming financial year.

There are significant programmes of savings and efficiency attached to both Temporary Accommodation and Property, Assets and Infrastructure presenting both a risk in terms of delivery challenges and opportunity. Property strategy is evolving and the programme of works for both will need to move forward at pace to ensure financial stability to these areas of the budget.

The council is an extremely complex organisation with a wide range and diversity of activities and assets, interests and liabilities.

By their nature many of the risks cannot be quantified and in this current challenging financial climate it is essential that the council maintains adequate levels of reserves. Where significant budget risks have been identified, suitable proposals are being put in place to mitigate against these risks where possible.

The council also holds contingencies and general unallocated reserves. The fact that the council holds other reserves earmarked for alternative purposes that could be called on if necessary, means the overall budget position of the council can be sustained within the overall level of resources available.

Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council's governance framework.

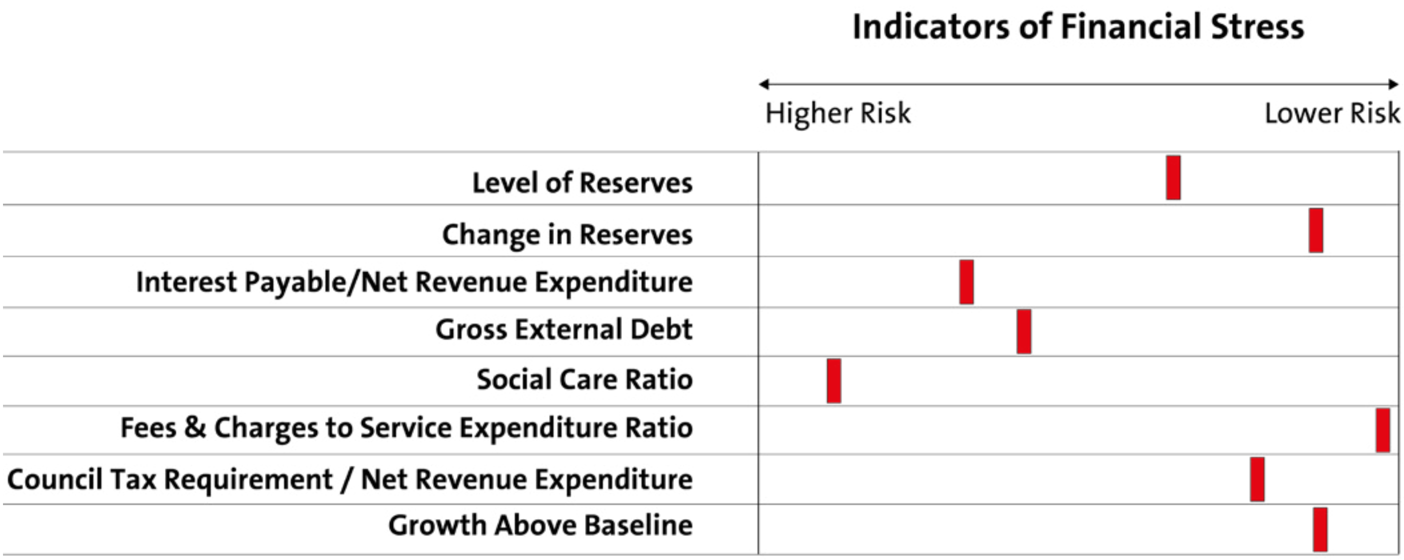
Risk management is an integral part of good governance to which the council is committed and provides the framework and processes that enable the council to manage uncertainty in a systematic way.

Key non-financial risks identified in 2025/26 include the failure to safeguard vulnerable children, inadequacies of HRA stock in meeting statutory landlord obligations.

All risks are monitored, and the Audit Committee receives updates on corporate risks and their management actions on a quarterly basis. The final Corporate Risk Register (Q4) was presented to Audit Committee on 28 May 2026, details of which can be found on the council's internet page (Public Pack) Agenda Document for Audit Committee.

Financial Health Indicators

In developing the budget strategy over the medium term, the council has been reflective of the outcomes of the CIPFA Financial Resilience Index and other financial benchmarking. In determining the medium-term budget strategy, it is essential to ensure the council manages its financial resilience to meet unforeseen demands on services. The highest area of risk to the financial resilience of the council compared to other similar authorities is the proportion of budget spent on social care services as this is seen as an inflexible cost which is difficult to reduce over short term and impacts on the council's ability to respond with agility to changing demands. This indicator is extremely important in terms of the council's ability to respond to extreme shocks, such as that recently experienced in relation to the pandemic and cost of living impacts. The council's need for greater resilience to risk that may emerge from the budget, needs to be considered and addressed over the medium term.



Basis of Preparation and Presentation

The Statement of Accounts

The Statement of Accounts is set out in the accompanying document; it consists of the following statements that are required to be prepared under the Code of Practice and have been prepared in accordance with the proper accounting practices primarily comprising the Code of Practice on Local Authority Accounting and the International Financial Reporting Standards. The Statement of Accounts has been prepared on a 'going concern' basis..

The Core Statements

The Comprehensive Income and Expenditure Statement – this records all the council's income and expenditure for the year. The top half of the statement provides an analysis by service area.

The bottom half of the statement deals with corporate transactions and funding. Expenditure represents a combination of:

- Service and activities that the council is required to carry out by law (statutory duties) such as street cleaning, planning and registration; and
- Discretionary expenditure focused on local priorities and needs

The Movement in Reserves Statement is a summary of the changes to our reserves over the course of the year. Reserves are divided into "useable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific purposes. We continually review the money we have in reserves for specific purposes to make sure they are at the right levels, and that our reserves continue to meet our needs.

The Balance Sheet is a 'snap shot' of the council's assets, liabilities, cash balances and reserves at the year-end date.

The Cash Flow Statement shows the reasons for changes in the council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

Group Accounts

The council operates through a variety of undertakings, through either majority shareholding (subsidiaries) or in partnership with other organisations.

The council is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates and/or joint ventures. The Group Accounts included as part of the Statement of Accounts fully incorporate the results of the council with its subsidiary companies: Bristol Holdings, Bristol Waste, Goram Homes Limited. Full details of the relationship can be found in the Group Accounts section of the Statement.

Other entities which fall within the group boundary, but which are not consolidated into the Group Accounts as they are not considered to be material, are detailed within the Related Parties note within the Statement of Accounts.

The supplementary financial statements are

- The Housing Revenue Account – this separately identifies the council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- The Collection Fund summarises the collection of council tax and business rates, and the redistribution of some of that money to Avon Fire Authority, the Avon and Somerset Police and Crime Commissioner and central government.

The notes to these financial statements provide more detail about the council's accounting policies and individual transactions. Our Annual Governance Statement sets out the governance structure of the council. It summarises the outcome of our review of the Governance Framework that has been in place during 2025/26 and our system of internal control, which is a critical component of our overall governance arrangements.

Andy Rothery

Director of Finance (Section 151 Officer)

Statement of Responsibilities

The Authority's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Executive Director of Resources;

- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- Approve the Statement of Accounts.

The Executive Director of Resources Responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;

- made judgements and estimates that were reasonable and prudent;

- complied with the Code.

The Executive Director of Resources has also:

- kept proper accounting records which were up to date;

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Executive Director of Resources

I hereby certify that this Statement of Accounts, provides a true and fair view of the financial position, financial performance, and cash flows of Bristol City Council for the period ending 31 March 2026.

Andy Rothery
Executive Director of Resources (Section 151 Officer)
30 June 2026

Independent Auditor’s Report (To Follow)

ANNUAL GOVERNANCE STATEMENT 2025/26

Demonstrating the importance of effective governance in local service delivery and public accountability.

1. Executive Summary, Conclusions and Statement of Commitment

1.1 As a local authority, Bristol City Council is accountable for ensuring lawful and ethical conduct of its business, the proper stewardship and accountability of public funds, and the effective, efficient, economical and equitable use of resources to achieve agreed priorities and deliver positive outcomes for its residents.

1.2 The CIPFA/SOLACE *Delivering Good Governance in Local Government Framework* (2016) requires local authorities to maintain effective governance arrangements to ensure these responsibilities are met. Bristol City Council has adopted a Code of Corporate Governance aligned to the Framework, which sets out how the council ensures the core principles of good governance are achieved and is reviewed annually. This Annual Governance Statement explains the council's compliance with the Code and summarises how its governance arrangements operated during 2025/26 and up to the date of approval of the final Statement of Accounts. It also fulfils the requirements of the Accounts and Audit Regulations 2015.

1.3 Good governance is about ensuring that an organisation is effectively and properly run. It is how the council shows it is taking decisions for the good of the people of Bristol, in an inclusive and open way. It requires standards of behaviour that support good decision making, collective responsibility, individual integrity, openness, and honesty. It is fundamental to showing that public money is well spent. Without good governance the council may find it difficult to improve services and deliver its objectives.

1.4 Following a governance referendum in May 2022, the council implemented significant changes to its governance arrangements from 2024/25 moving to a committee system. The new model has embedded well and a review concluded in 2025 confirmed that it is operating effectively. This was further supported by the Local Government Association (LGA) Corporate Peer Challenge in January 2026 which found the committee system to be in robust health and demonstrating increasing maturity as arrangements continue to embed and evolve.

1.5 Our governance arrangements must of course be resilient both now and into the future to help us tackle some of the key challenges we face going forward. These include:

- Geopolitical challenges from global instability that drive inflation and supply chain disruption as well as increasing migration and demand for local services.
- Operating in a challenging financial environment characterised by the continued need to make savings at a time when demand for services is increasing. In response, the council must continue to explore innovative and transformative ways to manage these pressures. Examples include developing a Special Educational Needs and Disabilities (SEND) Reform Plan to increase funding and reduce costs in this area and focussing on how we manage cost pressures in Adult Social Care.
- Successful delivery of investment in assets and infrastructure in difficult economic, market and supply chain conditions coupled with limited capacity to manage and deliver capital projects.
- An acute shortage of affordable homes, increasing homelessness and a housing maintenance backlog

- Wider systems challenges brought by greater emphasis on working effectively with partners across the city, region and nationally to capitalise on the national devolution agenda for maximum impact for our communities

- Targeting our capacity towards actions that will deliver the best outcomes and improve equitable performance for our communities.

- Improving the quality and use of our data so that insight drives our strategies and supports efficient service delivery.

- Ensuring our workforce is resilient and fit for the future.

1.6 During 2025/26, we enhanced our governance arrangements by:

- Setting up a new Corporate Assurance Framework to consolidate and strengthen existing oversight of assurances and clarifying mechanisms for risk management assurance and oversight. The framework establishes a number of officer boards that report directly to the Corporate Leadership Board and clarifies the roles of statutory officers and central functions.

- Increasing senior leadership capacity in the Resources Directorate and our new Housing Directorate to support us in delivering the significant improvements required to ensure we meet the housing regulators standard.

- Revising our risk management policy to ensure it supports us in managing risks effectively. We have also restructured the risk function to better align with the audit and assurance functions.

- Refreshing our Corporate and Workforce Strategies ensuring we have a One Council culture, with the workforce and leadership capacity and skill set to deliver outcomes for residents.

1.7 The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements including the system of internal control. This review involves a range of different activities that include self-assessments, views of Statutory Officers, the Chief Internal Auditor’s Annual Conclusion, external audit work, external inspections as well as on-going monitoring and reporting activities undertaken as part of the organisation’s performance management framework. Based on evidence from these activities, overall, we have concluded that the council’s governance arrangements are effective now.

Signed: Councillor Tony Dyer: Leader of the Council **Date:**	**Signed: Nick Hibberd: Head of Paid Service** **Date:**
Signed: Andy Rothery: Section 151 Officer **Date:**	**Signed: Tim O’Gara: Monitoring Officer** **Date:**

2 Governance Framework and Compliance Review Process

2.1 The governance framework comprises the systems and processes, culture, and values by which the authority is directed and controlled and the activities through which it accounts to, engages with, and leads the community. It takes account of the environment in which the council now operates and aims to ensure that:

- resources are directed in accordance with agreed policy and according to priorities,
- that there is sound and inclusive decision making,
- there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

2.2 The Code of Corporate Governance is intended to support political and officer leadership with developing and maintaining robust governance arrangements across the whole governance system including partnerships, shared services and alternative delivery vehicles. The Code, based on Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016), sets out a framework consisting of seven core principles and details the council's core arrangements to meet each of the seven principles which are described in the diagram below:

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)

2.3 Arrangements are in place to support delivery of the above principles as set out in 'the Code'. This statement reports the results of a review of effectiveness and level of compliance with those arrangements during the year 2025/26. The review is informed by:

- **First Line (Management) Assurances** – Assurances received from senior managers across the council that core elements of the governance arrangements are in place and effective. These have also been received from the council's companies – Bristol Waste Company Ltd and Goram Homes.

- **Second Line (Oversight Functions) Assurances** – A number of statutory officers and central functions are in place to provide oversight of aspects of the council operations. These officers and teams and are well placed to monitor and give a view on how well the council is complying with the governance arrangements as set out in the Code in their areas of responsibility. These include:

    - Section 151 Officer (Executive Director - Resources)
    - Monitoring Officer (Director – Legal and Democratic Services)
    - HR Director (Director Workforce and Change)
    - Policy Director (Director of Policy, Strategy and Digital)
    - Senior Information Risk Owner (Director – Legal and Democratic Services)

  Regular financial, performance and compliance reporting to CLB and Members create a valuable body of evidence of senior management and Member scrutiny.

- **Third Line (Independent) Assurances**:
    - The council's **External Auditors** are required to independently audit the council to provide an opinion on the truth and fairness of the financial statements. In addition, the external auditors consider and report on the council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

    - The **Chief Internal Auditor** provides an annual conclusion on the governance, risk management and internal control arrangements in the council informed by a programme of assurance work completed through the year and other sources of assurance. Where audit work identifies control issues, action plans are developed with management to improve arrangements.

    - Other **external independent review bodies** carry out inspections to review the council's arrangements. These can be externally required or requested by the council where an independent view of specific arrangements is felt beneficial.

    - The **Audit Committee** receive a range of assurances throughout the year as part of a comprehensive work programme from officers, the External Auditor and the Chief Internal Auditor.

2.4 In completing the review, section 3 below sets out some key aspects and examples of how the council has complied with the seven principles set out in the Code. The section also captures examples of where arrangements have been improved or require further development. Significant governance issues, where arising, are clearly identified at the end of the statement in Section 4.

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

Governance In Action (2025/26)
The council's Workforce Strategy 2025-2030 sets out the values and behaviours expected from employees and includes a core objective of "Developing a One Council culture". This is supported by a comprehensive action plan that clearly sets out how we will achieve these objectives and how we will measure progress. We have appropriate mechanisms for ensuring staff are aware of our values, the standards expected and the mechanism to safely report when they feel they have not been upheld. Codes of conduct are in place for staff which set out the standards of conduct expected and require declarations of interests, gifts and hospitality to be made where there are conflicts. All councillors sign up to the Member Code of Conduct as part of their acceptance of office. Training is provided as part of their induction and declarations of interest are made which are published on the council's website. Minutes of meetings record declarations of interests by councillors. Procedures are in place to manage complaints against councillors and breaches of the Members Code of Conduct. A Member Officer Protocol is also in place to detail how members and officers should work together. Counter-fraud arrangements are in place including whistleblowing reporting procedures to enable wrongdoing to be reported and dealt with effectively. The council makes decisions in line with national legislation and in accordance with the procedures set out in the council's Constitution. Officer decisions are routinely published on the council website and continuous improvement efforts are underway to help ensure that this done consistently. Decisions taken by policy committees are scrutinised by the relevant committee as part of the decision-making process.
Compliance Review Summary
Management assurances have confirmed a good level of compliance with requirements of the code of conduct in respect of declarations of interest, gifts and hospitality as well as assurance that fraud risks are understood and that statutory duties have been complied with. The 2025 staff survey results showed 94% of respondents were aware of our organisational values and 61% believe the vision and values guide our everyday work. A high percentage of staff said they felt able to challenge inappropriate or unfair behaviour and had awareness of and confidence in whistle-blowing processes. The Director Workforce and Change has confirmed that the number of employee grievances and disciplinary are proportionate to the workforce headcount,

The Monitoring Officer has confirmed that all decisions have been made in accordance with the council's policy and budget framework with professional legal and finance officer advice. He has also confirmed that complaints about Members have been dealt with in line with the council's established procedures.

Statutory and Key Officers have all confirmed that constructive relationships between officers and Members are in place and supported by a member officer protocol.

The LGA Corporate Peer Challenge report commended the organisational culture and leadership.

An assessment by South West Councils in December 2025 confirmed that Bristol continues to achieve Councillor Development Charter accreditation.

Focus of Future Improvement:

Deliver Workforce Strategy action plan.

Ensure decisions are always published within the time limits set out in the council's Constitution.

Principle B – Ensuring openness and comprehensive stakeholder engagement:

Governance In Action (2025/26)

Our Communications Strategy 2026-2030 (launched in March 2026) sets out a clear, modern and people focused approach to how we communicate with residents, partners and colleagues. It aims to build trust, strengthen engagement and create a shared narrative about the council's role in shaping a fair, sustainable and thriving city.

A Partnerships and Collaboration Policy that sets out requirements around issues of governance and performance is in place and all formal partnerships are registered in a central corporate register.

The council has continued to part-fund and host the City Office, creating formal and informal forums for meaningful engagement and joint working with partners across many different sectors. The council has also continued to actively participate in other partnership settings, including the NHS Integrated Care Board and wider system.

The council publishes and publicises key information including all which is a statutory or regulatory requirement, and much which is discretionary. Examples include extensive public consultation and engagement on the council's annual budget setting process, vehicle dwelling policy and Liveable Neighbourhoods as well as waste and recycling collection frequency.

A complaints policy and process are in place to enable feedback for learning and improvement.

Compliance Review Summary

Management assurances have confirmed a good level of assurance that effective arrangements for partnership working are in place and that services consult externally effectively

The LGA Corporate Peer Challenge report reflects that Bristol is a well-respected partner across all sectors and has a mature and established approach to working positively with external stakeholders.

The Local Government and Social Care Ombudsman report in respect of 2024/25 complaints against the council made no public interest reports and the council remains certified as ISO 10002:2018 Complaints Handling in organisations compliant.

Focus of Future Improvement:
Ensure consistent interpretation of the Partnership and Collaboration Policy and monitoring of partnership outcomes. Implement an improvement plan to ensure Housing Complaints are responded to in the required 10 days consistent with the Housing Ombudsman standard.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.

Governance In Action (2025/26)
In 2025 the council refreshed its Corporate Strategy for 2025-2030, setting clear outcomes and strategic vision aligning these with annual Service Planning and medium-term Business Planning processes. In 2025 the council's Business Plan and its associated Performance Framework moved from annualised approaches to more medium-term plans, with two to three year life cycles. The Corporate Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Strategy and Resources Committee for noting. During the year, delivery began against the council's economic strategy - Fair, Green and Thriving: Bristol's Economic Strategy 2025-2035. This was approved by the Economy and Skills Committee in February 2025. We collaborated with the West of England Combined Authority and neighbouring Unitary Authorities contributing to the regional's Growth Plan and multi-sector Boards in the refresh of the One City Plan. The council's key decision-making process includes written assessment of Ecological Impacts, and checks alignment to Corporate Strategy priorities which include economic, social and environmental benefits. Social value and sustainability are assessed in procurement activities, with comprehensive resources and training available to officers. Equality Action Plans are a key part of the planning process for services across the council enabling continuous service review.

Compliance Review Summary
Management assurances have confirmed a good level of assurance that consideration is given to balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. An early internal audit review of new processes being rolled out for obtaining and measuring social value achieved through contracts was completed in November 2025 concluded reasonable assurance, if consistently applied and are fit for purpose. An Internal Audit review undertaken in November 2025 confirmed that the criteria for acceptance of projects proposed for the City Leap Joint Venture align with the Corporate Strategy. An Internal Audit review of Performance Management issued in July 2025 concluded reasonable assurance on the robustness of the council's performance management arrangements In August 2025, an Internal Audit review of the Children's Quality Improvement and Performance (QuIP) Board confirmed this board was effective in overseeing the quality and performance of children's services.
Focus of Future Improvement:
Establish a systematic process for identifying and assessing the impact on the Council's asset base from the longer term severe weather risks, with the development of mitigation measures that also contribute to the achievement and compliance with the Council's climate change targets. Enhance Emergency Planning processes by making improvements in risk identification and assessment, reviewing and testing emergency plans, training and exercising, and following incident debrief procedures effectively

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.

Governance In Action (2025/26)
An annual Service Planning process is the primary method of determining interventions, requiring managers to review policies, strategies, insights and other evidence to determine their priorities and interventions for the coming financial year. This follows the annual budget setting process, enabling realistic planning which takes account of the financial envelope available. The council sets out high level interventions through its updated Corporate Strategy, Business Plan, Performance Framework and Workforce Strategy. The arrangements for delivering those ambitions are set out in the One Council Transformation Plan which was approved by Strategy and Resources Committee in November 2025. It is underpinned by our Future Operating Framework, which gives us a clear and consistent way to align people, processes, governance and performance across the organisation, and Design Principles, which will guide every redesign and improvement we make. During 2025 the Transformation Board was established as the decision-making board for all transformation programmes to ensure the resources are in place for priority programmes and projects and for oversight and tracking of delivery against objectives.

A Policy on the use of Artificial Intelligence has been developed and will be reviewed regularly as our approaches develop.

Compliance Review Summary
Management assurances have confirmed a reasonable level of assurance that arrangements are in place to monitor delivery of Service Plans and that appropriate project management processes are in place for key projects and programmes. Internal Audit review of Demand Management and Market Sustainability undertaken in February 2026 concluded reasonable assurance that internal strategies are being implemented to manage demand for Adult Social Care Service, and the council is working with providers to support external provision. An Internal Audit review of the Digital Transformation Programme Closure finalised in April 2026 concluded reasonable assurance that governance around the programme closure was robust.

Focus of Future Improvement:
Roll out of Artificial Intelligence Responsible Use Policy. Further embed the Ethical Impact Assessments process for relevant staff and within data projects.

Principle E – Developing capacity including the capability of its leadership and the individuals within it.

Governance In Action (2025/26)
A new Housing Directorate was created and significant progress has been made in creating capacity and resilience in the senior management team. Other senior leadership positions such as the Executive Director: Housing, Director: Economy of Place, Director: Commissioning - Adult Social Care, Director: Strategic improvement and Collaboration – Children, Director: Finance, Director: Homes and Landlord Services and Executive Director: Resources were permanently filled during the year. Appropriate arrangements and controls are in place to effectively manage the use of agency and interim workers who are occasionally required to cover an established position where it is difficult to recruit or to cover additional work. The overall spend on agency and interim staff in 2025/26 decreased by 39% compared to 2024/25. Our Workforce Strategy 2025/30 sets out the actions we will take to support workforce and leadership development; our approach to workforce planning to address diversity and inclusion gaps and the type and level of skills needed for the future; how we will attract, retain and develop talent within the organisation. Oversight of this work will be through the Workforce Board, Corporate Leadership Board and HR Committee.

Leadership development programmes are in place aimed at all levels, along with a talent development support programme, which includes support for managers in identifying talent and succession planning, and guidance for colleagues on career development.

The council's Health and Safety governance arrangements have been further embedded during 2025/26 providing greater corporate oversight of H&S standards and risks through the establishment of H&S Executive Board.

We continue to take preventative measures to reduce sickness absence through our Health and Wellbeing Plan and Workforce Strategy.

A Strategic Partnering approach has continued in several areas to support delivery for example in capital programme delivery, procurement and contract management, transformation programme delivery and IT/digital services.

Compliance Review Summary

The Director of Workforce and Change confirms that an effective management structure is now in place.

The Annual Health, Safety and Wellbeing report to Human Resources Committee has confirmed that arrangements have matured significantly during 2025/26.There has been no enforcement action from regulators during the year, there was 100% compliance with the Corporate Health and Safety Monitoring System and the number of incidents requiring reporting to the Health and Safety Executive has reduced.

An Internal Audit review of Strategic Partner Governance undertaken in August 2025 concluded reasonable assurance over the appropriateness and robustness of governance processes and controls in place regarding the management of the Strategic Partner arrangements.

In March 2026, an Internal audit review of Absence Management processes concluded reasonable assurance that processes to manage sickness are well defined and applied.

Focus of Future Improvement:

Review and streamline mandatory training to support greater compliance.

Enhance current programme of communication, training and guidance to increase the completion rates and quality of performance reviews.

Launch the new leadership development programme for Heads of Service and managers through 2026/27.

Complete systematic review of structures, unit costs, and performance against outcomes to identify where redesign is required

Principle F – Managing risk and performance through robust internal control and strong public financial management.

Governance In Action (2025/26)
The council operates an open, transparent performance reporting system including publicly available performance dashboards that are updated quarterly and reported to all the council's policy committees, with Strategy and Resources Committee maintaining a council-wide overview. The new corporate Performance Framework 2025-2028 was agreed in September 2025 and is intended to support the performance management processes for our Business Plan. This includes a new senior officer Performance Board to sit alongside our eight policy committees. We produce a wide range of intelligence and insight products, including our Quality of Life dashboard which enables detailed exploration and analysis of our biennial Quality of Life survey. During 2025/26 the Enterprise Risk Management Policy was refreshed and approved by the Audit and Risk Board and Audit Committee. Work is ongoing to clearly set out the organisation's risk appetite for the risk themes the council faces. All service; directorate and corporate risks are reviewed regularly with quarterly reporting of key risks providing management and members with oversight of key risk management. Policies and processes are in place for the management of information governance risks. The Information Governance Team works to identify and manage cyber security risks. The council has a designated Senior Information Risk Owner. The finance function has delivered the council's Statement of Accounts, Medium Term Financial Strategy, and budget in line with the statutory deadlines. Significant improvements in recent years to recruitment practices have been implemented that have driven substantial improvements to the finance function capacity levels. A new Budget Framework was introduced when setting the 2025/26 budget which sees collective ownership and collaboration with service management in setting the budget. This included implementation of a budget assurance group to provide robust review and challenge of savings, transformation, and recovery items. The Procurement & Contract Management Strategy is being refreshed aligned with the new Corporate Strategy. Commissioning is planned, procured and delivered in a staged way under the appropriate corporate governance and decision-making routes.
Compliance Review Summary
Management assurances confirmed that budget monitoring and risk management processes are embedded across most teams however the consistency with which business continuity planning and contract management is in place needs attention. A new Performance Framework was developed in 2025/26 which enabled a root and branch review of our measures and metrics to be completed. The impact of this new monitoring and reporting will start to be reflected from 2026/27 onwards. The council's Chief Finance Officer (CFO) has confirmed that the budget has been shaped to deliver the priorities set out in the Corporate Strategy and that it has not been necessary for any statutory reports to be made or considered during 2025/26 in their role as Section 151 Officer.

The Director of Finance advises that an assessment of compliance with CIPFA Financial Management (FM) Code has been undertaken during 2025/26. No areas of non-compliance have been identified although further improvement actions are planned reflective of feedback through external reviews including the Value for Money external audit.

The council's Senior Information Risk Owner has confirmed that the council has complied with its duties in respect of the management of data. There are no significant exceptions or breaches with information governance policies during 2025/26. However, an enforcement notice relating to a backlog of Subject Access Requests (SARs) was served on the council by the ICO and the council has developed an improvement plan to address this.

The council has established appropriate and adequate mechanisms for controlling and directing council owned companies. Each of the companies has confirmed through management assurances that expected risk management, governance and internal control arrangements are in place.

Focus of Future Improvement:

Implementation of new Enterprise Risk Management Policy.

Enhancing information governance arrangements across the organisation.

Improving Housing Void Management arrangements to ensure vacated properties are relet quickly and value for money is obtained relating to the cost of repairs.

Clear performance focus on SEND, school attendance and children's social care placements budgets as well as extra familial harm and child sexual exploitation through QUIP and KBSP.

Improving bank reconciliation processes to ensure timely identification and resolution of long outstanding reconciling items.

Continuing to improve compliance with internal procurement policies and procedures.

The council continues to receive claims for equal pay and these are being considered on a case-by case basis and are subject to legal processes. The Council will continue to monitor developments closely.

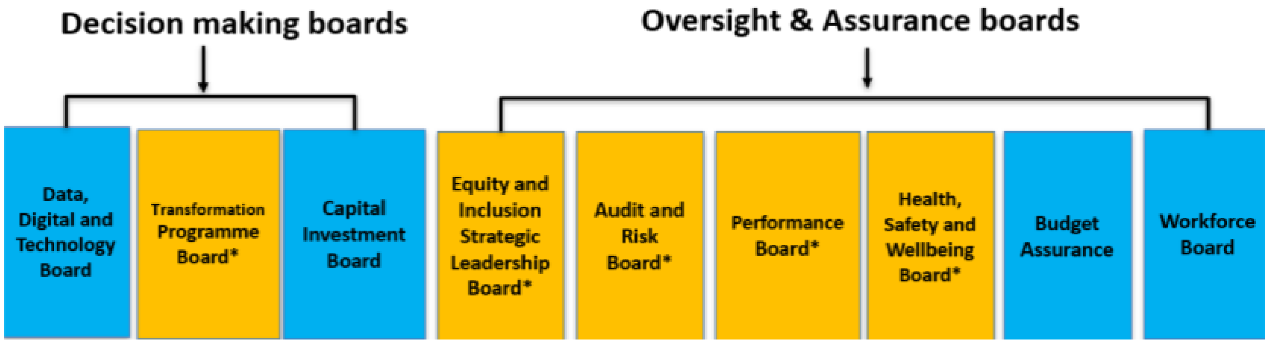
Principle G – Implementing good practices in the transparency, reporting and audit to deliver effective accountability.

Governance In Action (2025/26)

The council has a decision pathway that is used to manage the production of reports for public meetings. Reports are published in accordance with the statutory timelines exceptions to which must be agreed with the chair of committees.

Forward plans are published for policy committee at least 28 days in advance of each meeting setting out both Key and Non-Key Decisions. Reports are published at least five clear working days in advance of meetings and at each committee meeting, time is allowed for members of the public to ask questions of the relevant committee.

A new Corporate Assurance Framework was launched during 2025/26 to consolidate and strengthen existing oversight of assurance. The framework establishes the principles, structures and processes that underpin our governance arrangements including several statutory officers, processes and central functions and governance boards as below (* with Corporate Leadership Board in attendance)



The council's Audit Committee holds responsibility for oversight of the council's governance arrangements and reports annually to Full Council on the results of their work. Annual reports to Full Council were made to highlight key matters arising from the work of the committee. The committee undertakes an annual review of its effectiveness, the outcomes of which are reported in the committee's Annual Report to Full Council. During 2025/26 two new independent members have been appointed to the Committee as previous independent member tenures ended.

Compliance Review Summary

The council's External Auditors independently audit the council to provide an opinion on the truth and fairness of the financial statements. Their audit of 2024/25 accounts provided an unmodified opinion. The external auditors also review the council's arrangements for Value for Money. In doing so, they identified several significant weaknesses in relation to the management of demand led services and reducing the DSG deficit and Social Housing Standards. These matters are reflected in Section 5 of this statement.

The Chief Internal Auditor in their annual report for 2025/26 concluded that *taking account of the audit work undertaken and the issues identified, the council has adequate and effective arrangements in place to manage its key risks and ensure sound governance although there are some areas requiring improvement*.

Ofsted carried out a focused visit in Bristol in in early December 2025 under the Inspection of Local Authority Children's Services (ILACS) Framework. The conclusions were positive particularly commenting on the workforce culture, the leadership of services, commitment of partners and assurance on core children's social care services. Two areas for further improvement, both of which are well in hand, were noted.

The Care Quality Commission Assurance report in relation to Assurance of Adult Social Care was published on 30 May 2025. The overall outcome was a rating of 'Good'.

The Annual Public Health Assurance report by the regional Director of Public Health concluded that the ring-fenced Public Health Grant was be used in line with national guidelines and requirements.

5. Significant Governance Issues

5.1 Each year, in concluding the review of effectiveness of governance arrangements, consideration is given to significant issues identified that require focussed attention going forward. In determining the significant governance issues, the following factors have been considered on whether the issues had:

- seriously prejudiced or prevented achievement of a principal objective;
- resulted in the need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the business;
- a material impact on the accounts;
- been considered as significant for this purpose by the Audit Committee or equivalent;
- attracted significant public interest or had seriously damaged the reputation of the council;
- resulted in formal action being taken by the Section 151 Officer/Monitoring Officer;
- received significant adverse commentary in external inspection reports and which the council has not been able to address in a timely manner.

5.2 The following provides details of significant governance issues identified which were relevant to 2025/26 together with improvement actions being taken:

Item	Issue	Improvement Actions/Responsible Manager
1.	**Dedicated Schools Grant (DSG)** This is principally a finance issue with central government supplying insufficient funding, through the High Needs Block of the DSG, to fund the council's statutory responsibilities. The issue is not Bristol specific with numerous local authorities also seeing high deficits. The Office of Budgetary Responsibility estimates the total High Needs deficit across the UK will be £14 billion by 31 March 2028.	**Executive Director - Children and Education** In response to the government's announcement of national SEND reforms and the requirement for local areas to develop implementation plans, Bristol's local area partnership has submitted a Local SEND Reform Plan. Subject to approval, this would allocate c£98.3 million in Department for Education funding through the High Needs Stability Grant to contribute toward the deficit balance. While this will significantly support the system, it will reduce rather than eliminate the existing deficit. The Dedicated Schools Grant (DSG) deficit stood at £85.4 million as at 31 March 2026 and is forecast to increase over the course of 2026/27. Further grant funding is anticipated in future years, although this has not yet been formally confirmed. Nationally, the challenge is widespread with a recent National Audit Office report noting that over 100 local authorities are collectively carrying deficits totalling £4.6 billion. The Local SEND Reform Plan sets out how the council and its partners will deliver the government's reforms, ensuring that "every child

		and young person with SEND learns, belongs and thrives in their local community – attending schools that are ready for them". These measures are intended to slow the rate of deficit growth. Savings are primarily driven by the creation of new specialist and resourced provision within mainstream schools through targeted commissioning and capital investment. This provision is designed to better meet children's needs locally while offering a more cost-effective alternative to placements in independent or non-maintained settings, which are often operated by the for-profit private sector. In November 2025, the council approved the School Organisation Strategy, which commits to creating 569 additional places by 2030. This was followed in March 2026 by approval of the SEND Capital Programme, allocating £53.7 million between 2024 and 2030 to deliver 392 of these places. To date, 84 places have been delivered. However, when the statutory override, allowing councils to carry forward DSG deficits, expires on 31 March 2028, the council will be required to address any remaining deficit through the General Fund.
2.	**Savings Delivery** With the cost of operating the council exceeding available funding, the delivery of savings and income generation plans remain as a significant issue. The 2026/27 budget approved in February 2026 requires £41m of savings to be delivered. The future years financial plan from 2027/28 to 2030/31 has identified a savings requirement of £29m in addition to the £41m.	**Executive Director – Resources/ Director - Finance** To ensure savings delivery and the associated monitoring will be treated in equal measure to wider budget management and forecasting we are improving the budget monitoring process to build on the progress made through the introduction of the budget management framework during 2025/26.
3.	**Social Housing Standards** In July 2024, the council received a C3 regulatory judgement rating from the Regulator of Social	**Executive Director - Housing** An established transformation programme is in place to respond to the regulatory judgement and deliver the strategic objectives outlined in the

	Housing. It identified that there were serious failings in the landlord delivering the outcomes of the consumer standards and significant improvement is needed.	Housing Consumer Standards Improvement Strategy. Milestone one of the strategy has been delivered and milestone two is partially complete. A specialist social housing consultancy, Savills, are undertaking a refreshed review of compliance with the social housing consumer standards and a separate lesson learnt session that will consider progress against the root causes of the failure to meet the consumer standards. Both exercises will give assurance on progress made against the failures outlined in the regulatory judgement and will be presented to the Homes and Housing Delivery Committee in May 2026. The Housing Consumer Standards Programme will continue to deliver against the objectives of the Housing Consumer Standards improvement strategy. The final milestone of the strategy is due to be achieved by March 2027. The new Executive Director of Housing will ensure a strong emphasis on accelerating the delivery of sustained service improvement / transformation and culture change within the Housing service. There is oversight of the delivery of the Housing Consumer Standards Programme through a dedicated programme board and the Homes & Housing Delivery Committee.
4.	**Income Collection and Debt Management** The council's outstanding debt levels has held at over £200m over 2025/26. Through the managing our debt programme there has been significant improvement in accounts receivable debt. As our tax base has grown the level of arrears for council Tax and business rates has increased, through the fairer funding review and local government settlement we are now more reliant on the collection of local tax making collection levels a critical success measure	**Executive Director – Resources/ Director - Finance** A Managing Our Debt Transformation programme was established early in 2025 with an initial focus on improving collection rates for Accounts Receivable (AR) debts. At this year-end, overall AR indebtedness had reduced by 30%, debts raised before 1/4/25 have reduced by 67%, the in-year collection rate stands at 85.6% (up 11.4%) and the average debtor days is 55 days (was 77 days in 2024/25). This shows good progress, but there are significant actions in train to both strengthen post final notice recovery pathways and determine a new organisational operating and governance model. The Programme is also

	for the financial health of the council.	looking at opportunities for expanding its payment at the point of order arrangements.
5.	**Data Quality** 38 of 86 respondents to the Annual Governance Statement gave ‘Working Towards’ or ‘Gaps Identified’ responses to the statement ‘Data held is of the quality needed to comply with legislation and maximise effective service delivery’. This is the second highest negative response across the AGS. Previous internal audit activity in January 2025 provided Limited Assurance having tested 10 service areas, noting gaps in practice. This was often due to limited resources, capacity and capability in service teams to address issues with source data quality. In Housing, data quality issues were identified as part of a migration from several former IT systems to a new single system. Progress has been made to address these issues with further work and resources in place to close this action. The completion of this work will provide necessary corporate assurance and to the Regulator of Social Housing in the council’s data quality.	**Director – Policy, Strategy and Digital** The council has already undertaken external reviews of its central data platform and has appointed a partner to work with it on modernising this, which will make it easier for the corporate Data and Insight service to manage data and provide more value-adding service to other teams. Two projects are being scoped within a new digital transformation programme which will help address data quality issues: Data Maturity, and Digital, Data and Technology Capability. The former includes work to update the council’s data analytics platform, upskill the central team, and methodically catalogue and rate data availability and quality council wide. The latter will include work to understand skills gaps across the council and provide appropriate training, support and guidance to improve people’s capabilities and confidence. These projects will be included in a programme business case for Strategy and Resources Committee in July 2026 and would be expected to deliver fully in the subsequent 24-36 months. In the Housing service, work is ongoing to address the identified data quality issues within the NEC IT system through Housing IT Transformation Programme. This is scheduled to be complete by the end of September 2026. Within the Housing service, the development of new data management frameworks and the implementation of the NEC system, we intend to commission an in-depth data management review using a consultancy with experience of the Housing IT Transformation Programme IT systems. The review will include the; technical aspects of social landlord data, an assessment of the data governance and reporting arrangements and how they are being delivered within services. It is anticipated that the review will be concluded by the end of September 2026.
6.	**Information Commissioner Enforcement Notices received**	**Director – Legal and Democratic Services**

	Two Enforcement Notices relating to a backlog of Freedom of Information Requests and Subject Access Requests were received by the council. The Enforcement Notices required the Council to clear the backlog of cases and to produce action plans to improve performance. The Council had a backlog of 149 FOI cases in April 2024. The Council had a backlog of 231 cases in August 2025 covering the years 2022-2025.	Improvement plans for FOIs and SARs have been reported to Audit Committee in response to ICO enforcement notices. As reported to the Audit Committee in November 2025, the FOI enforcement notice has been complied with. The backlog of SARs was cleared by the deadline of April 2026 and the SARs enforcement notice has been complied with. The council continues to progress improvements in FoI and SARs compliance.

5.3 The following significant issues in 2024/25 have been closed due to significant progress made in addressing the issues complemented by improved oversight and reasonable assurance opinions from internal audit activities:

- Children Services
- Contract Management
- Mandatory Training
- Adult Social Care Payments System (ContrOCC)

5.4 Progress in relation to the improvement areas identified in this statement will be reported to and monitored by the Audit Committee.

Core Statements

Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

2024/25 Gross Exp £'000	2024/25 Gross Income £'000	2024/25 Net Exp £'000		2025/26 Gross Exp £'000	2025/26 Gross Income £'000	2025/26 Net Exp £'000
354,049	(151,365)	202,684	Adult & Communities	363,693	(142,351)	221,342
226,220	(79,751)	146,469	Children & Education	215,769	(73,530)	142,238
197,641	(137,386)	60,254	Resources	168,485	(111,958)	56,527
210,822	(118,118)	92,705	Growth & Regeneration	210,210	(118,210)	91,999
67,208	(33,525)	33,683	Housing	63,336	(40,664)	22,672
144,848	(148,323)	(3,475)	Housing Revenue Account	139,048	(156,347)	(17,298)
281,826	(252,407)	29,420	Dedicated Schools Grant	322,913	(278,352)	44,561
16,420	(93)	16,326	Corporate Funding & Expenditure	17,716	1,362	19,078
1,499,033	**(920,967)**	**578,066**	**Cost of services**	**1,501,170**	**(920,050)**	**581,120**
		15,403	Other operating expenditure (Note 8)			18,828
		(32)	Financing and investment income and expenditure (Note 9)			8,079
		(627,750)	Taxation and non-specific grant income (Note 10)			(672,447)
		(34,313)	**(Surplus) or Deficit on provision of services**			**(64,420)**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision on Services			
		(124,622)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 19)			73,925
		(131,934)	Remeasurement of the net defined benefit liability/asset (Note 33)			(26,680)
			Items that may be reclassified to the (Surplus) or Deficit on the Provision on Services			
		-	(Surplus)/ deficit on financial assets measured at fair value (Note 23)			-
		(256,556)	Other comprehensive income and expenditure			47,245
		(290,869)	**Total comprehensive income and expenditure**			**(17,175)**

Movement in Reserves Statement for the year ended 31 March 2026

	Note	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account Earmarked Reserves	Sub Total - Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024		24,571	168,424	(2,529)	190,466	71,298	831	72,129	41,476	10,349	36,996	351,416	2,431,360	2,782,776
Movement in Reserves during 2024/25					-			-				-		-
Surplus or (deficit) on the provision of services		(11,251)			(11,251)	45,565		45,565				34,314		34,314
Other Comprehensive Expenditure and Income					-			-				-	256,556	256,556
Total Comprehensive Expenditure and Income		(11,251)	-	-	(11,251)	45,565	-	45,565	-	-	-	34,314	256,556	290,870
Adjustments between accounting basis and funding basis under regulations	17	4,937	-	-	4,937	(69,607)	-	(69,607)	(26,178)	(349)	1,443	(89,755)	89,755	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(6,314)	-	-	(6,314)	(24,043)	-	(24,043)	(26,178)	(349)	1,443	(55,441)	346,311	290,870
Transfers to/(from) Earmarked Reserves	18	19,545	(14,378)	(2,070)	3,097	(2,992)	(97)	(3,089)	(9)	-	-	(1)	1	-
Increase/(Decrease) in 2024/25		13,231	(14,378)	(2,070)	(3,217)	(27,035)	(97)	(27,132)	(26,187)	(349)	1,443	(55,442)	346,312	290,870
Balance at 31 March 2025 Carried Forward		37,800	154,046	(4,599)	187,247	44,263	734	44,997	15,289	10,000	38,439	295,972	2,777,672	3,073,644
Movement in Reserves during 2025/26					-			-				-		-
Surplus or (deficit) on the provision of services		42,736			42,736	21,683		21,683				64,420		64,419
Other Comprehensive Expenditure and Income					-			-				-	(47,245)	(47,245)
Total Comprehensive Expenditure and Income		42,736	-	-	42,736	21,683	-	21,683	-	-	-	64,420	(47,245)	17,175
Adjustments between accounting basis and funding basis under regulations	17	(23,649)	-	-	(23,649)	(22,877)	-	(22,877)	3,604	-	3,103	(39,819)	39,819	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		19,087	-	-	19,087	(1,193)	-	(1,193)	3,604	-	3,103	24,601	(7,426)	17,175
Transfers to/(from) Earmarked Reserves	18	(15,954)	15,672	(618)	(900)	634	(634)	0	900	-	-	0	-	0
Increase/(Decrease) in 2025/26		3,133	15,672	(618)	18,187	(559)	(634)	(1,193)	4,504	-	3,103	24,601	(7,426)	17,175
Balance at 31 March 2026 Carried Forward		40,933	169,718	(5,217)	205,434	43,704	100	43,804	19,793	10,000	41,542	320,573	2,770,244	3,090,817

Balance Sheet as at 31 March 2026

31-Mar-2025 £'000		Note	31-Mar-2026 £'000
3,264,758	Property, Plant & Equipment	19	3,318,468
43,118	Right of Use Assets	19	45,250
219,256	Heritage Assets	20	233,882
6,061	Intangible Assets	22	4,702
339,602	Investment Property	21	342,184
54,060	Long Term Investments	23	57,520
57,752	Long Term Debtors	28	57,800
3,984,607	**Long Term Assets**		**4,059,805**
-	Short Term Investments	23	-
3,354	Inventories	29	3,510
225,612	Short Term Debtors	28	288,041
55,438	Cash and Cash Equivalents	30	52,760
509	Assets held for sale		426
284,913	**Current assets**		**344,738**
(12,051)	Cash and Cash Equivalents	30	(12,110)
(75,494)	Short Term Borrowing	23	(285,194)
(195,777)	Short Term Creditors	31	(299,128)
(12,954)	Provisions	32	(11,872)
(12,316)	Revenue grants received in advance	16	(11,392)
(80,043)	Capital grants received in advance	16	(85,061)
(388,635)	**Current liabilities**		**(704,756)**
(530,488)	Long Term Borrowing	23	(395,352)
(13,015)	Provisions	32	(12,540)
(240,254)	Other Long Term Liabilities	31	(178,286)
(23,483)	Capital Grants Receipts in Advance	16	(22,792)
(807,241)	**Long term liabilities**		**(608,971)**
3,073,644	**Net assets**		**3,090,816**
(295,973)	Usable Reserves	18	(320,573)
(2,777,671)	Unusable Reserves	33	(2,770,244)
(3,073,644)	**Total reserves**		**(3,090,816)**

Signed Andy Rothery- Executive Director of Resources (S151 Officer)

Cash Flow Statement for the year ended 31 March 2026

2024/25 £'000		Note	2025/26 £'000
34,313	Net (deficit) / Surplus on the provision of services		64,420
93,344	Adjustment to net surplus on the provision of services for non-cash movements	35	131,813
(167,331)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	35	(125,748)
(39,674)	Net cash flows from Operating Activities		70,485
(76,510)	Investing Activities	36	(129,708)
101,157	Financing Activities	37	56,487
(15,028)	Net increase (decrease) in Cash and Cash Equivalents		(2,737)
58,415	Cash and Cash Equivalents at the beginning of the reporting period	30	43,387
43,387	**Cash and Cash Equivalents at the end of the reporting period**		**40,650**

Notes to the Accounts

Notes supporting the Core Statements

1 Accounting Policies

(i) General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require the accounts 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 2025/26 (the Code) 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. The Statement of Accounts has been prepared on a 'going concern' basis.

(ii) Recognition of Income and Expenditure

Activity is accounted for in the year in which it takes place, which may not be the same year in which cash payments are made or received.

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. In local government, the generation of revenues from charges to service recipients is only a minor funding stream and contracts with customers tend to be accounted for and delivered within each financial year.

Revenue from the sale of goods and disposal of assets is recognised when the Council transfers the risks and rewards of ownership to the purchaser. Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Government grants and third-party contributions are recognised when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and that the grants or contributions will be received. Where conditions attached to grants or contributions have not been satisfied, monies received to date are carried in the Balance Sheet as creditors and credited to the CIES when the conditions are satisfied. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Supplies are recorded as expenditure when they are consumed. If there is a gap between the date supplies are received and their consumption, they are carried as inventories in the Balance Sheet. Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

(iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and are readily convertible to known amounts of cash with low 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 strategy.

(iv) Charges to Revenue for Non-Current Assets

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

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

(v) City Region Deal

The Council has applied the principles of IPSAS 23 'Revenue from non-Exchange transactions (Taxes and Transfers)' in accounting for the transactions and balances relating to the City Region Deal.

Growth paid to the accountable body (South Gloucestershire Council) for the Business Rates Pool (BRP) is recognised by the Council as a debtor until such point that the funds are paid out by the BRP or committed by the Economic Development Fund (EDF) to fund future EDF payments in respect of approved programmes.

- Income - Income receivable by the Council from the BRP is recognised as revenue in the year in which it occurs. The Council recognises revenue and a debtor balance to the extent that future EDF disbursements are to be received, have been committed to by the EDF, and sufficient uncommitted cash remains in the BRP to fund future payments.

- Expenditure – Expenditure is recognised by the Council on the earlier of payments being made by the BRP or where future EDF payments are committed to. Expenditure is recognised in proportion to the degree that the Council has contributed to the BRP through its growth figure and is capped at the limit of the Council's payment of growth to the BRP in this period, and any previous growth figures paid over which have not been previously paid or committed by the BRP.

(vi) Collection Fund and Local Taxation

Bristol City Council is a billing authority for local taxation and collects:

- Council tax on behalf of the Avon and Somerset Police and Crime Commissioner, Avon Fire Authority and itself.

- Non-Domestic Rates on behalf of Avon Fire Authority, the West of England Combined Authority (WECA) and itself.

The Collection Fund shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities, central government and precepting bodies of council tax and non-domestic rates (NDR). There is no requirement for a separate Collection Fund Balance Sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the bodies (i.e. major preceptors, the billing authority and the Government).

The Collection Fund is effectively an agency account therefore income, expenditure and balance sheet transactions are apportioned between the Council, central government and precepting bodies.

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

(vii) Dedicated Schools Grant

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 establish new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its school's budget relating to its accounts for a financial year beginning on 1 April 2021, 1 April 2022 or 1 April 2023, it must not charge the amount of that deficit to a revenue account. Instead, the deficit (including the accumulated deficit as of 31 March 2020) is charged to an unusable reserve the Dedicated Schools Grant Adjustment Account by a transfer from the General Fund Balance in the Movement in Reserves Statement. The Local Government Finance Policy Statement 2023-24 to 2024-25 published in December 2022 announced the extension of the provisions to cover the three years from 2023/24 to 2025/26.

(viii) Employee Benefits

Benefits Payable During Employment

Monetary benefits such as wages and salaries, paid leave and bonuses, and non-monetary benefits (for example, cars) for current employees are recognised as an expense in the year in which employees render service to the Council. An accrual is made to represent the cost of holiday entitlement earned but not taken at each year end, to meet Code and IAS requirements.

Termination Benefits

When the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy, these costs are charged on an accruals basis to the respective Service line in the Comprehensive Income and Expenditure Statement.

Post-Employment Benefits

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

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education.
- The Local Government Pension Scheme administered by Bath and North East Somerset Council.
- The NHS Pension Scheme, for Public Health employees, administered by NHS Pensions.

All the above schemes provide defined benefits to members for example retirement lump sums and pensions, earned as employees working for the Council.

However, the arrangements for the Teachers' scheme and NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified for the Council. These schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The CIES is charged with the employer's contributions payable to Teachers pensions and NHS pensions 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 Avon Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees. Liabilities are measured on an actuarial basis discounted to present value, using the projected unit method. The discount rate to be used is determined in reference to market yields at balance sheet date of high-quality corporate bonds.

The assets of Avon Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities - current bid price.
- Unquoted securities - professional estimate.
- Unitised securities - current bid price.
- Property - market value.

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

- Current Service Cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- Past Service Cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

- Net interest on the net defined benefit obligation/plan asset (i.e. net interest expense for the Council) – the change during the period in the net defined benefit obligation/plan asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit obligation/plan asset at the beginning of the period, considering any changes in the net defined benefit obligation/plan asset during the period as a result of contribution and benefit payments.

- Re-measurement of the return on plan assets – excluding amounts included in net interest on the net defined benefit obligation/plan asset, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Actuarial gains and losses - changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are debited to the Pensions Reserve as Other Income and Expenditure.

- Contributions paid to the Avon 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 appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits earned by employees.

In 2023, the Council made an up-front payment of the LGPS deficit contributions for the three years 2023/24 - 2025/26 totalling £13.926 million (net of academy conversions). This payment was made April 2023. The up-front payment took advantage of the independent Actuary's calculation of the return these contributions could achieve once invested by the Pension Fund. The discount calculated by the Actuary for making the up-front payment (net of academy conversions) rather than the typical approach of monthly payments in arrears over the three-year period was £0.982 million, reducing total payments from £14.908 million to £13.926 million. The return was judged to be greater than could have been achieved by investing the amounts as part of the Council's Treasury Management Strategy and the approach represented good value for money for the Council.

There is a temporary imbalance between the Net Pensions Liability and the Pensions Reserve, which is due to the Council opting to pay three years past service costs upfront during 2023/24 (see above). The up-front payment immediately reduced the Net Pensions Liability in 2023/24, but the payment is being released to the Pensions Reserve over the respective three financial years. The final year of this release is 2025/26.

The latest triennial review took place at 31 March 2025. This is effective from April 2026.

Discretionary Benefits

The Council has restricted powers to provide discretionary post-employment benefits. Any such benefits are accrued for in the year of the decision to make the award and are charged to the Comprehensive Income and Expenditure Statement against the service in which the employees worked.

(ix) Events After The Reporting Period

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

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

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

(x) Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or

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

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

When measuring the fair value of a non-financial asset, the 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 and liabilities 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 or liabilities 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 or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

(xi) Financial Instruments

The Council adopted the IFRS 9 Financial Instruments accounting standard with effect from 1 April 2018. This is recognised when the Council becomes a party to the contractual provisions of a financial instrument which can either be a financial asset or financial liability.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet initially measured at fair value and are subsequently carried at their amortised cost. As annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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 Council's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term of the replacement loan that was used to refinance the loan against which the premium was payable or discount receivable. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified using an approach that is based on the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets:

- Hold to collect measured at amortised cost.
- Hold to sell measured at fair value through profit or loss (FVPL).
- Hold to collect and sell measured at fair value through other comprehensive income (FVOCI).

The Council's business model for most of its investments is to hold them to collect contractual cash flows which is measured at amortised cost. There are some exceptions, where the Council holds strategic investments to help it meet other policy objectives, such as the support of economic development in the county. This means that some investments are ones where 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).

Hold to Collect Financial Assets Measured at Amortised Cost

Hold to collect financial assets measured at amortised cost are recognised on the Balance Sheet initially at fair value and subsequently at amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, from time to time the Council makes loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, the loan amount is present valued and the difference between the present value and the fair value of the loan amount is recognised in the CIES as a debit, the present value amount is recognised as the loan amount. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

In addition, the Council does have deferred payment policies where individuals are allowed to defer payment against an invoice raised by the Council, for example where the Council holds a legal charge against a property that enables sums to be reimbursed from sale proceeds later. These are like loans at less than market rates and are referred to as soft loans. If any the lost interest against the soft loan was significant then adjustments would be made to the relevant service revenue account and Balance Sheet. However, the impact on the Council's revenue account of soft loans and lost interest is not financially significant and the accounts have not been adjusted to reflect these requirements.

Expected Credit Loss Model

The Council recognises expected credit losses on all its financial assets held at amortised cost or FVOCI, 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.

Hold to Sell Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Hold to sell financial assets measured at FVPL are recognised on the Balance Sheet initially and subsequently at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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

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

The inputs to the measurement techniques are categorised in accordance with the three fair value hierarchy levels.

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 Comprehensive Income and Expenditure Statement. Fair value gains and losses on pooled investment funds do not impact the General Fund because they are subject to the statutory override, which the 2025/26 Code confirms is extended to 31 March 2029, and are therefore reversed through the Movement in Reserves Statement.

An equity instrument can be elected to a FVOCI treatment rather than a FVPL treatment if it is not held for sale. The Council has reviewed its assets that would be measured at FVPL based on the business model and has elected to classify instruments as either FVPL or FVOCI on an instrument-by-instrument basis based on the assessed benefit to the Council from the chosen classification.

(xii) Government Grants and Contributions

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

- The Council will comply with the conditions attached to the grant.
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

(xiii) Heritage Assets

The Council's Heritage Assets are predominantly on display in museum buildings and galleries in the city, held in storage or loaned out to other educational or cultural organisations.

These assets are all valued on a historic cost basis or an annual insurance valuation basis.

The Council holds numerous ancient monuments and statues which are not recognised on the Balance Sheet because of the diverse and often unique nature of the assets held and the lack of comparable market values.

There is no depreciation charge against heritage assets because it is estimated that the assets have an extended and indeterminate useful life such that any depreciation charge would be negligible. The carrying values of Heritage Assets are reviewed when there is evidence of impairments for example when an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any reductions to the carrying value of the assets are recognised and measured in accordance with the Council's general policy on impairments.

(xiv) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (for example software licences) is capitalised when it is expected that future economic benefits or service potential will flow to the Council.

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

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

Intangible assets are measured initially at cost and, in line with the 2025/26 Code, are subsequently held at historical cost only - the revaluation model is not permitted. The Council's intangible assets are therefore carried at amortised cost and amortised over their useful lives. The depreciable amount of an Intangible Asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. 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 in the Comprehensive Income and Expenditure

(xv) Interests in Companies and Other Entities

(a) Subsidiaries

Subsidiaries are all entities over which the Council has control. The Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The Council's material subsidiaries are Bristol Holding Limited (which is directly held) and Bristol Waste Company Limited and Goram Homes Limited (all of which are indirectly held). There are no non-controlling interests.

In the single entity accounts, the Council has opted to account for its investments in subsidiaries in accordance with Chapter 7 of the Code, Financial Instruments. The investments are accordingly classified as fair value through profit or loss (FVTPL) and are carried in the Balance Sheet at fair value with the exception of Bristol is Open Ltd. Changes in the fair value of the Council's investments in subsidiaries are recognised in Surplus/Deficit on the Provision of Services.

In the group accounts, the subsidiaries are consolidated on a line-by-line basis with adjustments to eliminate intra-group transactions, balance and unrealised gains on transactions between the group entities. Where necessary, amounts reported by subsidiaries have been adjusted to conform to the Council's accounting policies.

b) Joint Arrangements

A Joint Arrangement is an arrangement of which two or more parties have joint control. The parties are bound by contractual arrangement which gives two or more of those parties joint control of the arrangement. Joint Arrangements are classified as Joint Ventures or Joint Operations.

The Council has no material Joint Ventures.

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Council has one Joint Operation being the West of England Local Enterprise Partnership. In respect of this, the Council accounts for:

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

(xvi) Inventories (Stock)

Inventories are measured at the lower of cost and net realisable value, except where inventories are acquired through a non-exchange basis in which case their cost is deemed to be fair value at the date of acquisition. Inventories are also measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge; or consumption in the production process of goods to be distributed at no charge or for a nominal charge. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In this context inventories do not include work in progress under construction contracts and financial instruments.

(xvii) Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on "the highest or best price that can be obtained in the most advantageous market, in an arms' length transaction between knowledgeable participants at the measurement date". Investment Properties are not depreciated but are revalued annually according to market conditions at the year-end.

Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

(xviii) Leases

For the Council as lessee, leases are accounted for in accordance with IFRS 16 Leases by recognising a right-of-use asset and a lease liability at commencement. The finance/operating lease classification does not apply to lessee accounting.

For the Council as lessor, leases continue to be classified as finance or operating based on whether substantially all the risks and rewards incidental to ownership are transferred, in accordance with the Code's IFRS 16 requirements.

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

At inception of an arrangement, the Council determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Council the right to control the use of the underlying asset.

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

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Council under residual value guarantees.
- The exercise price of a purchase option if the Council is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Council exercising that option.
- Lease payments to be made under certain extension options.

The lease payments are discounted using the Council's incremental borrowing rate, being the rate, the Council would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Council's incremental borrowing rate is sourced from the Public Works Loan Board (PWLB).

The Council is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, then the lease liability is re-measured using the changed cash flows and changed discount rate. Further, a corresponding adjustment is also made to the right-of-use asset. Lease payments are allocated between the repayment of principal and a finance cost. The finance cost is charged to the Comprehensive Income and Expenditure Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Council will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and with low-value assets are recognised on a straight-line basis as an expense in the Comprehensive Income and Expenditure Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items under £10,000 and comprise of IT equipment, small items of office furniture and low value land.

Peppercorn leases

Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

- Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases
- The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services The Council has a number of leases over land and property under which it pays £nil or peppercorn rents. It has undertaken an exercise to assess the fair value of the assets leased under these arrangements through use of its property consultant, and these have been recorded in the financial statements, in respect of these leases.

The Council as Lessor

Finance Leases

To date the Council has not granted any Finance Leases.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example if 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.

(xix) Minimum Revenue Provision (MRP)

The Council is not required to use Council tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance.

(xx) Overheads And Support Services

The Council operates and manages its support services within the Resources Directorate, and this is how these services are reported to management. The costs of overheads and support services are therefore not re-apportioned (except for ring-fenced accounts such as the HRA, Public Health and Licencing).

(xxi) Prior Period Adjustments

Prior period adjustments arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are only accounted for prospectively i.e. in the current and future years which are affected by the changes, they 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 in accounting policy is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances for the current year and comparative amounts for the prior period as if the new policy had always been applied.

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

(xxii) Service Concessions

Service concessions are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Council is deemed to control the services that are provided under these schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets related to these contracts and recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the contract operator are analysed into the following elements:

- Fair value of any services received during the year.
- Finance cost - an interest charge of the effective rate of interest on the outstanding Balance Sheet liability.
- Variable payments – payments that vary based on an index or rate (e.g. RPI/CPI) are included in the lease liability and may trigger remeasurement. Payments based on usage or performance are excluded from the lease liability and recognised in the period incurred.
- Contingent rent payable under the agreement.
- Lifecycle replacement costs where applicable.
- Payment towards liability - applied to write down the Balance Sheet liability to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).

(xxiii) Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Capital schemes above £0.25 million are subject to annual review and any expenditure incurred which has not enhanced the asset's value is charged as an expense in the financial year that it is incurred. Expenditure on capital assets totalling less than £20,000 in any single financial year is classed as de-minimis and therefore is not capitalised but charged as an expense.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.

- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its current 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:

- Community assets - depreciated historical cost.
- Assets under construction - historical cost.
- Dwellings - current value, determined using the basis of existing use value for social housing (EUV-SH).
- Surplus assets – the current value measurement base is current value, defined as "the highest and best use of the asset as determined by a market participant." All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Assets included 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. Between formal revaluations, the Council applies indexation (where appropriate and available) to keep carrying amounts under review and may use a desktop valuation in rare cases where no suitable index exists. On revaluation, accumulated depreciation is treated in accordance with International Accounting Standard 16 - either restated proportionately or eliminated against the gross carrying amount. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

When decreases in value are identified, they are accounted for in the same way as an impairment.

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 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 on the specific asset).
- 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 in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for the 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, car parks, quay walls and lock gates, some 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 - are depreciated based upon component accounting basis. In the year of disposal six-month depreciation is charged to the accounts.
- Other buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- Vehicles, plant and equipment - a percentage of the value of each class of assets in the Balance Sheet.

The Council applies component accounting to all assets with a net book value more than £5 million - where the item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, identified components are depreciated separately.

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

Disposals and Non-current Assets Held for Sale

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

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

Amounts received for a disposal more than £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the HRA'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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

(xxiv) Infrastructure Assets

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

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were original recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April [1994 England and Scotland] [1996 Wales], which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion over their estimated useful lives circa 25 years and is charged on a straight-line basis.

Disposals and derecognition

In accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022, the Council has determined that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure are nil. This statutory override applies to infrastructure assets where replaced components are not separately identifiable and are considered to have fully depreciated. As a result, no write-off is made to the Comprehensive Income and Expenditure Statement in respect of such replacements. This treatment is consistent with the temporary solution outlined in CIPFA Bulletin 12 and does not affect the charge to council tax, as infrastructure asset costs are provided for under capital financing arrangements. Adjustments are made through the Capital Adjustment Account in the Movement in Reserves Statement.

(xxv) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provision is a liability of uncertain amount and time. A liability is a present obligation that arose due to past event that will give rise to outflow of economic benefits.

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.

When payments are eventually made, they are charged to the relevant provision. 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 as an accounting estimate.

Contingent Liabilities

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

(xxvi) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

The category of unusable reserves includes those reserves which are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant notes.

(xxvii) Revenue Expenditure Funded from Capital under Statute

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

(xxviii) Schools

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 confirms that the balance of control for local authority-maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the single entity accounts of the Council (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

Schools within the Council's group fall into the following categories

- 44 Community (12 Nurseries, 27 Primaries, 4 Special and 1 Pupil Referral Unit).
- 3 Foundation (2 Primaries and 1 Special).

Other types of school, such as voluntary aided and voluntary controlled schools, academies and free schools are outside of the Council's control and therefore not included in this Statement of Accounts.

(xxix) Value Added Tax

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

(xxx) Rounding Convention

Unless otherwise stated the convention used in these Financial Statements is to round amounts to the nearest thousand pounds. All totals are the rounded additions of unrounded figures and therefore may – from time-to-time – not be the strict sums of the figures presented in the text or tables.

(xxxi) Community infrastructure levy

The CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions.

2 Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted as at the balance sheet date. Where a change in accounting policy is required, it will be applied retrospectively unless transitional arrangements are specified, which may result in impacts on disclosures across two financial years.

At the balance sheet date, the following new standards and amendments to existing standards have been published but are not yet adopted by the Code:

a) IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) (Amendments to IAS 21), issued August 2023: This amendment clarifies the accounting for transactions where exchangeability between currencies is lacking. The impact is currently unknown; however, the Council does not expect this amendment to have a material impact on its Statement of Accounts.
b) IFRS 17 Insurance Contracts (Replacement of IFRS 4), issued May 2017: IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The impact is currently unknown; however, the Council does not issue insurance contracts as defined by the standard and therefore does not expect a material impact.

2025/26 Code changes to the measurement of non-investment assets, including adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: These changes will affect the measurement and disclosure of non-investment assets. The impact is currently unknown; however, the Council is assessing the implications and does not expect a material effect on the 2024/25 Statement of Accounts. Further details will be provided in the 2025/26 accounts.

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 as follows:

The Council has completed a school-by-school assessment across the different types of school it controls within the city. The Council has assessed the legal framework underlying each type of school and determined the treatment of non-current assets within the financial statements according to whether it owns or has some responsibility for, control over or benefit from the service potential of the premises and land occupied. The Council has considered its accounting classification for each school on an individual case basis in conjunction with the relevant dioceses for voluntary aided and voluntary controlled schools.

- All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet.
- Legal ownership of Voluntary Controlled (VC) and Voluntary Aided (VA) school land and buildings usually rests with a charity, normally by a religious body. Legal ownership of 7 VA schools rests with Clifton Diocese. Legal ownership of the remaining VA and VC schools' rests with Bristol Diocese. We understand that the Diocese have granted a licence to the schools to use the land and buildings. Under this licence arrangement, the rights of use have not transferred to the schools and thus are not included on the Council's Balance Sheet.
- There are two Foundation Trusts in Bristol - the South East Bristol Educational Trust and the Trust in Learning – who own 3 schools in the city. The Council exercises no control over these Trusts, so these assets are not included on the Council's Balance Sheet.
- Academies are not considered to be maintained schools in the Councils control. The land and building assets are either, not owned by the Council, or let on a long-term lease (125 years) by the Council and therefore not included on the Council's Balance Sheet.

The costs of the Schools Private Finance Initiative (PFI) Contracts exceed the income received from the Government Grant and School Contributions, leaving the Council with a liability under the PFI Contracts. All PFI Schools have now transferred to Academy status and these assets have been removed from the Council's balance sheet. Following a review of the costs and benefits, the Council considers the contract not to be onerous as the benefits significantly outweigh the costs.

In the single entity accounts, the Council has opted to account for its investments in subsidiaries in accordance with Chapter 7 of the Code, Financial Instruments. The investments are accordingly classified as fair value through profit or loss (FVTPL) and are carried in the Balance Sheet at fair value with the exception of Bristol is Open Ltd.
Changes in the fair value of the Council's investments in subsidiaries are recognised in Surplus/Deficit on the Provision of Services. Impairments are recognised in the Surplus/Deficit on the Provision of Services.

4 Assumptions made about the Future and other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Consequence if actual results differ from assumptions
Property, Plant and Equipment (excluding Surplus Assets) Carrying value £3.351 billon	Asset valuations are based on Current Value and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's internal and external valuers provided valuations as at 31 March 2026 for non-current assets. The Council's valuers use a combination of methodologies to value operational assets. This includes Depreciated Replacement Cost (DRC), Existing Use Value (EUV) and comparable methods. These methods can cause estimation uncertainty due to the indices and inputs (such as build costs, obsolescence, market prices, building industry specific indices and yield) that must be used to apply valuations.	A reduction in estimated valuations would result in reductions to the Revaluation Reserve and/or a loss recorded in the Comprehensive Income and Expenditure Statement. If the value of the Council's property, plant and equipment, was to reduce by say 1%, this would result in a £33.51 million change in cost value charged against the Revaluation Reserve and/or the Comprehensive Income and Expenditure Statement. A corresponding increase in estimated valuations would result in a combination of increases to the Revaluation Reserve and / or reversals of previous negative revaluations charged to the Comprehensive Income and Expenditure Statement
Pensions Liability	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund investments. The Council has engaged Mercer Ltd, a firm of consulting actuaries, to provide expert advice about the assumptions to be applied.	Variations in the key assumptions will have the following impact on the net pension liability of £55.6 million • a 0.25% increase in the assumed level of pension increases will increase the net pension liability by £28.2 million. • a 0.25% increase in the assumed level of pay inflation will increase the net pension liability by £30.7 million. • an increase of one year in longevity will increase the net pension liability by £28.9 million.
Pensions Asset	Where a surplus is recognised in the actuary's report, an asset ceiling is applied to limit the	If the pension asset ceiling were not accounted for, the balance sheet would

	future benefits that could be recognised from the pension fund, based on the assessment of economic benefits available to the Council. Initially the report identified a surplus of £86.8 million, and after the asset ceiling was applied, the Council reported a net liability of £16.8 million.	show a pension surplus of £86.8 million.
Fair Value Estimation Carrying value £342.2 million	The Council's external valuers use valuation techniques to determine the fair value of investment property. This includes lease profile, tenant covenant, rent status and location. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case, the valuers use the best information available.	Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date. If investment property value were to reduce by 10%, this would lead to a £34.2 million reduction. This would impact the Council's CIES Surplus/Deficit.

5 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Executive Director of Resources (S151 Officer) on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 30 June 2026, 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 non-adjusting events after the Balance Sheet date.

Notes supporting the Comprehensive Income and Expenditure Statement

6 Expenditure and Funding Analysis for the year ended 31 March 2026

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

2025/26	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes (EFA Note 1)	Net change for the Pension Adjustments (EFA Note 2)	Other Differences (EFA Note 3)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Adult & Communities	**220,383**	3,841	(2,882)	-	**959**	**221,342**
Children & Education	**135,842**	16,503	(10,107)	-	**6,396**	**142,238**
Resources	**57,596**	3,743	(4,813)	-	**(1,069)**	**56,527**
Growth & Regeneration	**44,807**	51,673	(4,480)	-	**47,193**	**91,999**
Housing	**14,078**	9,878	(1,284)	-	**8,594**	**22,672**
Housing Revenue Account	**(16,299)**	2,279	(3,278)	-	**(999)**	**(17,298)**
Dedicated Schools Grant	**48,826**	32	(4,297)	-	**(4,265)**	**44,561**
Corporate Funding & Expenditure	**17,513**	(1,053)	1,718	900	**1,565**	**19,078**
	522,746	86,896	(29,422)	900	**58,374**	**581,120**
Other income and expenditure (Notes 8,9,10)	(540,640)	(147,030)	4,272	37,858	(104,900)	(645,540)
(Surplus) Deficit on the Provision of Services	**(17,894)**				**(46,525)**	**(64,420)**
Opening General Fund and HRA Balance	(232,244)					
Add Surplus on General Fund and HRA Balance in Year	(17,894)					
Transfer to and from other reserve	900					
Closing General Fund and HRA Balance at 31 March 2026*	**(249,238)**					

* For a split of this balance between the General Fund and the HRA - see Movement in Reserves Statement.

2024/25	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes (EFA Note 1)	Net change for the Pension Adjustments (EFA Note 2)	Other Differences (EFA Note 3)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adult & Communities	**201,848**	2,356	(1,520)	-	**836**	**202,684**
Children & Education	**156,183**	(2,904)	(6,810)	-	**(9,714)**	**146,469**
Resources	**56,278**	6,184	(2,208)	-	**3,976**	**60,254**
Growth & Regeneration	**33,469**	61,485	(2,057)	(192)	**59,235**	**92,705**
Housing	**21,275**	12,951	(543)	-	**12,408**	**33,683**
Housing Revenue Account	**25,349**	(27,352)	(1,472)	-	**(28,824)**	**(3,475)**
Dedicated Schools Grant	**15,324**	-	(2,115)	16,211	**14,096**	**29,420**
Corporate Funding & Expenditure	**13,967**	59	1,890	410	**2,359**	**16,326**
	523,694	52,779	(14,835)	16,429	**54,372**	**578,066**
Other income and expenditure (Notes 8,9,10)	(493,338)	(143,288)	10,210	14,037	(119,041)	(612,379)
(Surplus) Deficit on the Provision of Services	**30,357**				**(64,670)**	**(34,313)**
Opening General Fund and HRA Balance	(262,594)					
Add Surplus on General Fund and HRA Balance in Year	30,357					
Transfer to and from other reserve						
Closing General Fund and HRA Balance at 31 March 2025*	**(232,237)**					

* For a split of this balance between the General Fund and the HRA - see Movement in Reserves Statement.

EFA Note 1 - Adjustments for Capital Purposes

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

- Other Operating Expenditure - adjusts for capital disposals with a transfer of income on disposal of asset and the amounts written off for those assets.
- Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

EFA Note 2 - Net change for Pension Adjustments

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

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

EFA Note 3 - Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statements 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.

7 Expenditure & Income Analysed By Nature

	2025/26 £'000	2024/25 £'000
Expenditure & Income Analysed By Nature		
Expenditure		
Employee Benefits Expense	453,362	440,576
Depreciation, Amortisation & Impairment	91,455	95,853
Other Service Expenditure	1,026,658	1,035,523
Total Expenditure	**1,571,475**	**1,571,952**
Income		
Fees, Charges and Other Service Income	(402,880)	(388,999)
Interest & Investment Income	(19,634)	(14,368)
Income from Council tax & Non-domestic Rates	(478,256)	(463,132)
Government Grants, Other Grants and Contributions	(728,025)	(715,212)
(Gain) / Loss on Investment Property Revaluation	(7,100)	(24,556)
Total Income	**(1,635,894)**	**(1,606,267)**
Surplus or (deficit) on the Provision of Services	**(64,420)**	**(34,315)**

7a Revenue from Contracts with Service Recipients

The Council contracts with service recipients as part of its normal operating activities. The table below sets out the material items of income within fees, charges and other service income in the table above.

	2025/26 £'000	2024/25 £'000
Contributions from Other Organisations	24,758	25,906
Health Authorities	49,611	41,316
Other Local Authorities	14,189	11,806
Social Care Charges	36,336	36,523
Sales of Services	7,182	8,336
Car Parking	17,051	15,500
Housing Revenue Account Income	161,366	171,105
Commercial Rents	17,154	19,442
Licencing	11,676	10,628
Clean Air Zone	15,515	22,390

The Council has identified contractual arrangements in place in relation to Deferred Payments, where care users can use the value of their home to help pay care home costs. The following amounts were recognised in the Comprehensive Income and Expenditure Account as income.

	2025/26 £'000	2024/25 £'000
Client Contributions	33,822	35,641
Deferred Payments	1,951	384
Total	**35,773**	**36,025**

7b Clean Air Zone Income and Expenditure

The Government has set legal limits for pollution. To ensure we meet these in the shortest possible time, Bristol City Council introduced a clean air zone in November 2022. During FY 2025/26, Clear Air Zone net income of £10.2 million (2024/25 £16.4m) (gross income of £15.5m and gross expenditure of £5.3m (2024/25 gross income of £22.4m and gross expenditure of £6m) is included in the surplus or (deficit) on the provision of services.

8 Other Operating Expenditure

	2025/26 £'000	2024/25 £'000
Precepts and levies	12,622	13,076
Payments to the Government housing capital receipts pool	(17,069)	(6,642)
Losses/(gains) on the disposal of non-current assets	23,275	8,969
Total	**18,828**	**15,403**

9 Financing and Investment Income and Expenditure

	2025/26 £'000	2024/25 £'000
Interest payable and similar charges	44,881	41,137
Changes in the Fair Values of Financial Instruments	(4,704)	(192)
Pensions net interest cost	4,272	10,210
Interest receivable and similar income	(17,313)	(15,282)
Income and expenditure in relation to Investment Properties	(11,957)	(11,349)
Changes in fair value of Investment Properties	(7,100)	(24,556)
Total	**8,079**	**(32)**

10 Taxation and Non-Specific Grant Income

	2025/26 £'000	2024/25 £'000
Council tax income	(298,640)	(280,358)
Non-domestic rates	(179,615)	(182,773)
Non-service-related government grants	(107,649)	(61,398)
Capital grants and contributions	(86,542)	(103,221)
Total	**(672,447)**	**(627,750)**

11 Pooled Budgets

Better Care Fund

The Better Care Fund (BCF) was established to support the integration of health and social care as a basis for joint planning the delivery of local services. The BCF is a joint programme between Bristol City Council and NHS Bristol, North Somerset & South Gloucestershire Integrated Care Board (ICB) agreed under Section 75 of the National health Service Act 2006. The formal governance of the BCF is through the Joint Commissioning Board and the Bristol Health and Well Being Board.

Under this Section 75 agreement there are five funds totalling £101.530m in 2025/26 and administered by whichever body undertook the contracting arrangements.

Fund 1 is administered by Bristol, North Somerset & South Gloucestershire Integrated Care Board and totals £24.576m. The fund includes contributions from the ICB only, which have been paid to providers contracted to support the sub schemes Reduction in Hospitals Admissions, Frail and Complex, Falls

Prevention and Reablement. The ICB controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Fund 2 is administered by Bristol, North Somerset & South Gloucestershire Integrated Care Board and totals £1.053m. The funding is provided to Bristol City Council to offset in-year contract price and cost pressures.

Fund 3 is hosted by Bristol City Council and totals £4.378m, which is wholly made up of the Disabled Facilities Grant. The fund includes contributions from the City Council only, which are paid directly to providers. The City Council controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Fund 4 is a joint arrangement hosted by Bristol City Council and totals £50.531m. Both the ICB and Bristol City Council contribute towards the source of funding. The City Council is the Lead Commissioner for the services commissioned through this fund. The risks are shared based on the area of spend. The ICB owns the risks for Health related spend and Bristol City Council holds the risk for Social Care related spend as per the section 75 agreement.

Fund 5 is hosted by Bristol City Council and totals £20.992m, which is wholly made up of the Local Authority Better Care Grant. The fund includes contributions from the City Council only, which are paid directly to providers. The City Council controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

Better Care Fund	**Fund 1 £'000**	**Fund 2 £'000**	**Fund 3 £'000**	**Fund 4 £'000**	**Fund 5 £'000**	**Total £'000**
Funding provided to the pooled budget:						
BNSSG ICB	24,576	1,053		21,943		47,572
Bristol City Council	-	-	4,378	28,588	20,992	53,958
Total funding into Pooled Budget	**24,576**	**1,053**	**4,378**	**50,531**	**20,992**	**101,530**
Expenditure met from Pooled Budget						-
BNSSG ICB	24,576	1,053	-	21,943	-	47,572
Bristol City Council	-	-	4,378	28,588	20,992	53,958
Total expenditure from Pooled Budget	**24,576**	**1,053**	**4,378**	**50,531**	**20,992**	**101,530**
Net surplus/(deficit) on the pooled budget during the year	-	-	-	-	-	-
Bristol City Council's share of the net surplus/(deficit) arising on the pooled budget	-	-	-	-	-	-

12 Members' Allowances

The Council paid the following amounts to members of the Council during the year.

	2025/26 £'000	2024/25 £'000
Allowances	1,752	1,619

13 Officers' Remuneration & Exit Packages

Where a senior officer's annual salary is £50,000 or more, but less than £150,000, remuneration is disclosed individually by way of job title. For those senior officers whose salary is £150,000 or more, their name is also disclosed. The remuneration paid during the year was as follows:

2025/26				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	**Post Term**	**Post Holder**	**Notes**	**£**	**£**	**£**	**£**
Chief Executive & Head of Paid Service	Apr '25 - Mar '26	N Hibberd		197,982	-	39,299	**237,281**
Executive Directors - Growth and Regeneration	Apr '25 - Mar '26	J Smith		165,120	-	32,205	**197,325**
Executive Director - Adult & Communities	Apr '25 - Mar '26	H Evans		161,717	-	31,930	**193,647**
Executive Director - Children & Education	Apr '25 - Mar '26	H Woodhouse		161,439	-	31,860	**193,299**
Executive Director - Housing (Interim)*	Apr '25 - Dec '25	S Furzland	1	201,896	-	-	**201,896**
Executive Director - Housing	Mar '26 - Mar '26	D McNutly	2	7,097	-	1,313	**8,410**
Executive Director - Resources & Chief Financial (S151)	Nov '25 - Mar '26	A Rothery	3	65,985	-	12,673	**78,658**
Statutory Officers- Chief Financial (S151)	Apr '25 - Oct '25		4	81,929	-	16,631	**98,560**
Statutory Officers- Director Adult Social Care	Apr '25 - Mar '26			126,966	-	25,197	**152,163**
Statutory Officers – Director of Public Health	Apr '25 - Mar '26			112,197	-	22,271	**134,468**
Statutory Officers- Director Education, Inclusion & Skills	Apr '25 - Mar '26			122,602	-	24,216	**146,818**
Statutory Officers- Director Children & Families	Apr '25 - Mar '26			101,997	-	20,246	**122,243**
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '25 - Mar '26			131,036	-	26,011	**157,047**

1 Post holder started on 22nd April 2025 until 31st December 2025. This was an interim appointment via a third-party agency.

2 Post holder started on 16th March 2026 in this new post.

3 Post holder started on 3rd November 2025 in this new post.

4 Post holder moved to the new post Executive Director - Resources & Chief Financial (S151) which retained the S151 function on the 3rd November 2025.

2024/25				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	**Post Term**	**Post Holder**	**Notes**	**£**	**£**	**£**	**£**
Chief Executive & Head of Paid Service	Apr '24 - Jun '24	S Peacock	1	35,891	-	7,286	**43,177**
Chief Executive & Head of Paid Service (Interim)*	Jun '24 - Dec '24	P Martin	2	231,314	-	-	**231,314**
Chief Executive & Head of Paid Service	Jan '25 - Mar '25	N Hibberd	3	45,382	-	9,213	**54,595**
Executive Directors - Growth and Regeneration	Apr '24 - Mar '25	J Smith		154,898	-	31,444	**186,342**
Executive Director - Adult & Communities	Apr '24 - Mar '25	H Evans		156,369	-	31,641	**188,010**
Executive Director - Children & Education	Apr '24 - Mar '25	H Woodhouse		155,532	-	31,444	**186,977**
Statutory Officers- Chief Financial (S151) (Interim)*	Apr '24 - Jan '25	T Kirkham	4	250,413	-	-	**250,413**
Statutory Officers- Chief Financial (S151)	Jan '25 - Mar '25		5	31,891	-	6,474	**38,364**
Statutory Officers- Director Adult Social Care	Apr '24 - Mar '25			123,040	-	24,969	**148,009**
Statutory Officers – Director of Public Health	Apr '24 - Mar '25			101,618	-	20,628	**122,247**
Statutory Officers- Director Education and Skills	Apr '24 - Jun '24		6	30,908	-	6,090	**36,998**
Statutory Officers- Director Education and Skills (Interim)*	July '24 - Mar '25	V Verma	7	155,979	-	2,000	**157,978**
Statutory Officers- Director Children, Families & Safer Communities	Apr '24 - Mar '25			98,244	-	19,938	**118,182**
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '24 - Mar '25			108,234	-	21,931	**130,165**

1 Post holder left on 9th June 2024

2 Post holder started on 10th June 2024 and left on 31st December 2024, cost inclusive of agency fees

3 Post holder started on 6th January 2025

4 Post holder started on 8th April 2024 and left on 31st December 2024, cost inclusive of agency fees

5 Post holder started on 6th January 2025

6 Post holder left on 30th June 2024

7 Post holder started on 2nd July 2024 via an agency until 28th February 2025. From 1st March 2025 they are now paid directly via the authority, cost inclusive of agency fees

8 Local authorities also pay the coroner's salary or fees and agree other terms and conditions, but there is no contract of employment between the local authority and coroner. Coroners should not be equated in financial or other terms with chief officers.

In addition to the remuneration of senior employees set out above, the number of the Council's employees receiving more than £50,000 remuneration for the year (excluding employer's contributions) is set out in the table below:

Remuneration band	2025/26 Number of employees Schools	2025/26 Number of employees Non-Schools	2024/25 Schools	2024/25 Non-Schools
£50,000 - £54,999	77	382	73	373
£55,000 - £59,999	37	215	27	144
£60,000 - £64,999	22	41	22	37
£65,000 - £69,999	19	52	18	53
£70,000 - £74,999	12	30	6	41
£75,000 - £79,999	7	46	14	28
£80,000 - £84,999	16	25	6	26
£85,000 – £89,999	4	28	1	5
£90,000 - £94,999	2	7	5	4
£95,000 - £99,999	4	2	1	5
£100,000 - £104,999	-	2	-	2
£105,000 - £109,999	-	2	-	2
£110,000 - £114,999	-	3	-	-
£115,000 - £119,999	-	-	1	1
£120,000 - £124,999	-	1	-	1
£125,000 - £129,999	-	1	1	1
£130,000 - £134,999	-	1	-	2
£135,000 - £139,999	1	2	-	1
£140,000 - £144,999	-	1	-	-
Totals	**201**	**841**	**175**	**726**

The variation in employee numbers between bands shown in the above table is largely down to nationally agreed pay awards that have inflated pay and moved the boundaries against these ranges.

Exit Packages

The numbers of exit packages relating to Council employees during 2025/26, with total cost per band and the total cost of compulsory and other redundancies are set out in the table below. The numbers and costs include packages agreed at the end of the year but not paid. Costs include the costs of early payment of pension in the cases of early retirement.

Exit package cost band	**Number of compulsory redundancies**		**Number of other departures**		**Total number of exit packages by cost band**		**Total cost of exit packages in each band**	
	2025/26 No.	2024/25 No.	**2025/26 No.**	2024/25 No.	**2025/26 No.**	2024/25 No.	**2025/26 £'000**	**2024/25 £'000**
£0 - £20,000	8	15	5	12	13	27	123	282
£20,001 - £40,000	2	11	6	5	8	16	229	451
£40,001 - £60,000	2	-	-	4	2	4	96	197
£60,001 - £80,000	-	-	-	1	-	1	-	79
£80,001 - £100,000	-	1	-	1	-	2	-	179
£100,001 - £120,000	-	-	-	-	-	-	-	-
£120,001 - £140,000	-	-	-	1	-	1	-	122
£140,001 - £160,000	-	-	-	1	-	1	-	157
£160,001 - £180,000	-	-	-	-	-	-	-	-
£180,001 - £200,000	-	-	**2**	-	**2**	-	**367**	-
£200,001 - £220,000	-	-	**1**	-	**1**	-	**201**	-
Total	**12**	27	**14**	25	**26**	52	**1,016**	1,468

14 External Audit Costs

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

	2025/26 £'000	2024/25 £'000
Fees payable to the External Auditor regarding external audit services carried out by the appointed auditor for the year	691	672
Fees payable to the External Auditor for the certification of grant claims and returns for the year	66	66
Fees payable to the External Auditor for the CFO Insights Subscription	-	34
Total	**756**	772

15 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency (EFA), the Dedicated Schools Grant (DSG). Once allocated to a local authority an element is recouped by the EFA to fund academy schools in the Council's area. 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 2018. 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 are shown in the following table:

2024/25					2025/26		
£'000 Central Expenditure	£'000 ISB	£'000 Total		Notes	£'000 Central Expenditure	£'000 ISB	£'000 Total
		494,535	Final DSG before academy and high needs recoupment				546,784
		276,554	Less Academy and high needs figure recouped for year	1			304,310
		217,981	**Total DSG after academy and high needs recoupment for year**				**242,474**
		2,576	Plus: Brought forward from previous year				-
		-	Less: Carry forward agreed in advance				-
77,242	143,315	220,557	Agreed initial budgeted distribution in year		79,491	162,983	242,474
4,610	(780)	3,830	In year adjustments	2	4,610	896	5,506
81,852	**142,535**	**224,387**	**Final budgeted distribution for year**		**84,101**	**163,879**	**247,980**
112,152	-	112,152	Less: actual central expenditure		135,550	-	135,550
-	139,307	139,307	Less: actual ISB deployed to schools		-	157,133	157,133
10,862	-	10,862	Plus: LA contribution for year		15,175	-	15,175
(19,438)	**3,228**	**(16,210)**	**In Year Carry forward**		**(36,274)**	**6,746**	**(29,528)**
		-	Carried Forward				-
		(39,682)	DSG unusable reserve at the end of the previous year	3			(55,892)
		(16,210)	Addition to DSG unusable reserve at the end of year				(29,528)
		(55,892)	**Net DSG position at the end of the year (Note 33)**	4			**(85,420)**

1. The academy recoupment in 2024/25 comprised 93 academies open at the start of the year plus 5 that converted or were newly registered as Free Schools in-year. The academy recoupment in 2025/26 comprised 98 academies open at the start of the year plus 2 that converted in-year.
2. The in-year estimated adjustment for the final early years block funding 2025/26 £0.877m, following the January 2026 census data up-date, due in summer 2026, £0.019m in respect to a national non-domestic rate adjustment for a closing school, £4.610m Safety Valve funding 2025/26.
3. This is the brought forward figure from 2024/25.
4. The total carry forward deficit is £85.420m for the year. Included in the carry forward are surpluses from de-delegated budgets of £0.343m, £0.873m underspend in Early Years Block, £3.433m Schools Block underspend, Central Schools Services Block underspend £0.042m, High Needs Transformation Programme of £0.010m underspend and the Safety Valve Programme funding of £30.740m, offsetting a deficit of £142.736m in High Needs Block. The net deficit includes Bristol City Council's earmarked reserve held in line with the Safety Valve agreement of £21.874m.

16 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/26:

Credited to Taxation and Non Specific Grant Income

	2025/26 £'000	2024/25 £'000
Capital grants and contributions (Note 10 & see below)	86,542	103,221
Non service related government grants (Note 10)	107,649	61,398
Total	**194,192**	**164,619**

Capital grants and contributions

	2025/26 £'000	2024/25 £'000
Government grants applied:		
Adults and Communities	4,299	214
People	-	-
Children and Education	-	3,867
Growth & Regeneration	46,407	49,376
Resources	50	123
Housing	10,908	-
Housing Revenue Account	8,807	41,580
Developer Contributions	12,288	6,080
Total Government Grants & Contributions applied	**82,759**	**101,240**
Capital Grants Unapplied	3,783	1,981
Total grants credited to the CIES	**86,542**	**103,221**

Grants Credited to Services

	2025/26 £'000	2024/25 £'000
Adults, Children & Education		
Better Care Fund	31,127	41,860
Education - other	11,594	8,139
Education and Skills Funding Agency Grants	13,641	16,350
Homes for Ukraine	1,999	2,330
Independent Living Fund Grant	-	248
Other Social Care Grants (Adults)	1,850	1,308
Other Social Care Grants (Children)	13,111	13,684
People - Other	1,007	8,673
PFI Special Grant	14,204	13,193
Public Health	38,756	36,635
Public Health - Other	5,732	3,501
Pupil Premium	6,627	7,096
REFCUS	4,493	12,472
Troubled Families	2,319	2,332
Youth Justice Board	888	881
Bristol Harbour Authority	-	20
Dedicated Schools Grant	248,128	220,038
Growth & Regeneration	-	
Arts Council England	2,791	2,223
Growth & Regeneration - other	7,159	8,750
Homelessness Reduction & Support Grant	15,426	10,455
REFCUS	13,096	16,701
SWERCOTS	622	595
Travel & Transport Grants	1,364	643
Housing Revenue Account	-	72
Resources	-	
Covid 19 - Test & Trace Support Grant	-	-
Discretionary Housing Payments	741	741
Household Support Fund	7,120	8,080
Housing Benefit (rent allowances/council tax benefit) subsidy	88,178	111,372
Housing Benefit Administration Subsidy	1,711	1,796
Resources - Other	152	405
Total	**533,833**	**550,593**

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

	31 March 2026 £'000	31 March 2025 £'000
Capital Grants and Contributions Received in Advance		
Government grants	77,463	72,216
Section 106 contributions	30,390	31,311
Total	**107,853**	**103,527**
Due < 1 year	85,061	80,043
Due > 1 year	22,792	23,483
Total	**107,853**	**103,527**
Revenue grants Received in Advance		
People	10,651	11,934
Growth & Regeneration	-	217
Taxation and non-specific grant income	705	-
Resources	35	165
Total	**11,392**	**12,316**

Notes supporting the Movement in Reserves Statement

17 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2025/26	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grant Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustment involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(56,528)	(36,252)	-	-	-	**(92,780)**
Movement in the market value of Investment Properties	6,679	421	-	-	-	**7,100**
Amortisation of Intangible Assets	(1,968)	(909)	-	-	-	**(2,877)**
Capital grants and distributions	95,324	8,807	-	-	-	**104,131**
Revenue and expenditure funded from capital under statute	(27,869)	-	-	-	-	**(27,869)**
Amount 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	(19,505)	(12,127)	-	-	-	**(31,632)**
Recognition of donated assets under IFRS 16 (peppercorn leases)	434	-	-	-	-	**434**
Changes in Fair Value of Financial Instruments (MiRs)	3,731	-	-	-	-	**3,731**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	32,840	-	-	-	-	**32,840**
Capital expenditure charged against the General Fund and HRA balances	1,126	6,370	-	-	-	**7,496**
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5,748	18,071	(23,819)	-	-	**(0)**
Deferred Capital Receipts Reserve credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	**-**
Administrative costs of non-current asset disposals	-	-	-	-	-	**-**
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	20,215	-	-	**20,215**
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	-	-	-	-	**-**
Adjustment Involving the Major Repairs Reserve (MRR):						
Excess depreciation transferred to the MRR	-	-	-	-	-	**-**
HRA depreciation credited to MRR	-	35,741	-	(35,741)	-	**-**
Use of the MRR to finance new capital expenditure	-	-	-	35,741	-	**35,741**
Adjustments involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Unapplied Capital Grants	-	-	-	-	(3,783)	**(3,783)**
Application of grants and contributions to capital financing	-	-	-	-	681	**681**
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	177	-	-	-	-	**177**
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(32,368)	(4,147)	-	-	-	**(36,515)**
Employer's pensions contributions and direct payments to pensioners payable in the year	54,764	6,901	-	-	-	**61,665**
Adjustments involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(8,330)	-	-	-	-	**(8,330)**
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
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	(1,077)	-	-	-	-	**(1,077)**
Other Reserve Movements	(29,528)	-	-	-	-	**(29,528)**
Total Adjustment	**23,649**	**22,877**	**(3,604)**	**-**	**(3,103)**	**39,819**

2024/25	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grant Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustment involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement						
Charges for depreciation and impairment of non-current assets	(58,607)	(38,708)				(97,315)
Movement in the market value of Investment Properties	25,636	(1,080)				24,556
Amortisation of Intangible Assets	(3,477)	(546)				(4,023)
Capital grants and distributions	90,814	41,580				132,394
Revenue and expenditure funded from capital under statute	(49,710)	-	-			(49,710)
Amount 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	(31,336)	(5,402)				(36,738)
Recognition of donated assets under IFRS 16 (peppercorn leases)	-	-				-
Changes in Fair Value of Financial Instruments (MiRs)	192	-				192
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	29,258	-				29,258
Capital expenditure charged against the General Fund and HRA balances	800	20,846				21,646
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,919	10,008	(22,926)			-
Deferred Capital Receipts Reserve credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5,125	-	(573)			4,552
Administrative costs of non-current asset disposals	(283)	-	283			-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	56,037			56,037
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	6,642	(6,642)			-
Adjustment Involving the Major Repairs Reserve (MRR):						
Excess depreciation transferred to the MRR	-	-				-
HRA depreciation credited to MRR	-	36,028		(36,028)		-
Use of the MRR to finance new capital expenditure	-	-		36,377		36,377
Adjustments involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Unapplied Capital Grants	-	-			(1,981)	(1,981)
Application of grants and contributions to capital financing	-	-			538	538
Adjustments involving the Financial Instruments Adjustment Account:						
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	177	-				177
Adjustments involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(47,036)	(6,115)				(53,151)
Employer's pensions contributions and direct payments to pensioners payable in the year	51,421	6,355				57,776
Adjustments involving the Collection Fund Adjustment Account:						
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(14,210)	-				(14,210)
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
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	(410)	-				(410)
Other Reserve Movements	(16,211)	-				(16,211)
Total Adjustment	**(4,938)**	**69,607**	**26,178**	**349**	**(1,443)**	**89,754**

18 Usable Reserves

Reserves represent the Council's net worth and show its spending power. Usable reserves result from the Council's activities and can be spent in the future. This note sets out the amounts set aside and posted back to Usable Reserves in 2025/26, they include:

- General Fund Strategic Reserve – to cushion the impact of unexpected events or emergencies
- Earmarked Reserves – to provide financing to meet known or predicted future General Fund expenditure plans
- School Balances – amounts required by statute to be set aside for future expenditure in schools
- Housing Revenue Account Reserves – amounts specifically required by statute to be set aside and ring-fenced for future investment in HRA
- Capital reserves – includes capital receipts and capital grants set aside to finance future capital spending plans

Details of specific earmarked reserves are as follows:

RESERVE	PURPOSE
Capital Investment Reserve	The capital reserve is maintained to provide funding for the Council's capital investments and growth in Enterprise areas.
Business Transformation Reserves	Invest to save funds. The reserve will be used to fund one-off costs attributed to delivery of savings in the currently agreed programme.
Risk Reserves	Risk Reserves Funds set aside to mitigate known risks not otherwise provided for including, volatility in Housing Benefit Subsidy and uninsured risks.
Statutory/Ring-fenced reserves	Amounts required by statute or accounting code of practice to be set aside and ring-fenced for specific purposes, for example Public Health Reserve and City Deal Business Rate Pooling.
Technical/Financing Reserve	Technical Financial Reserves - Includes PFI sinking fund, grant income carried forward in accordance with accounting regulations and resources set aside to match known contract liabilities.
Service specific reserves	Amounts set aside to finance specific projects or to meet known expenditure plans, including: - High Needs for high needs deficit included in the Safety Valve agreement with Department of Education - Digital Transformation to deliver transformation activity

	01-Apr 2024	Transfers out	Transfers in	31-Mar 2025	01-Apr 2025	Transfers out	Transfers in	31-Mar 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund Strategic Reserve	**(24,570)**	-	(13,230)	**(37,800)**	**(37,800)**	-	(3,133)	**(40,933)**
General Fund Earmarked Reserves								
Capital Investment Reserve	**(38,609)**	10,862	(1,444)	**(29,191)**	**(29,191)**	(1,955)	3,239	**(27,907)**
Business Transformation Reserve	**(9,555)**	9,670	(14,770)	**(14,655)**	**(14,655)**	(2,380)	3,096	**(13,939)**
Risk Management Reserve	**(41,138)**	39,156	(35,514)	**(37,497)**	**(37,497)**	(15,610)	6,570	**(46,537)**
Statutory/Ring-fenced Reserve	**(79,306)**	36,383	(23,191)	**(66,114)**	**(66,114)**	(24,891)	14,729	**(76,275)**
Financing Reserve	**(349)**	349	-	**-**	**-**	(16,372)	15,424	**(948)**
Service Specific Reserves	**531**	13,443	(20,565)	**(6,590)**	**(6,590)**	(1,495)	3,973	**(4,112)**
Total	**(168,425)**	109,863	(95,484)	**(154,046)**	**(154,046)**	(62,703)	47,031	**(169,718)**
School Reserves								
Schools – DSG	**-**	-	-	**-**	**-**	-	-	**-**
Schools - Balances	**2,906**	2,130	-	**5,036**	**5,036**	1,642	(1,232)	**5,446**
Schools - Other	**(377)**	-	(60)	**(437)**	**(437)**	208	-	**(229)**
Total Schools	**2,529**	2,130	(60)	**4,599**	**4,599**	1,850	(1,232)	**5,217**
HRA								
HRA General Reserve	**(71,298)**	27,487	(453)	**(44,264)**	**(44,264)**	6,053	(5,494)	**(43,704)**
Major Repairs Reserve	**(10,349)**	36,393	(36,044)	**(10,000)**	**(10,000)**	70,847	(70,847)	**(10,000)**
HRA Earmarked Reserves	**(831)**	20,775	(20,678)	**(734)**	**(734)**	19,064	(18,430)	**(100)**
Total HRA Reserves	**(82,478)**	84,655	(57,175)	**(54,998)**	**(54,998)**	95,964	(94,771)	**(53,804)**
Capital Reserves								
Capital Grants Unapplied	**(36,997)**	14,400	(15,842)	**(38,439)**	**(38,439)**	681	(3,783)	**(41,541)**
Capital Receipts	**(41,476)**	61,084	(34,897)	**(15,289)**	**(15,289)**	32,940	(37,444)	**(19,793)**
Total Usable Capital Reserves	**(78,472)**	75,484	(50,739)	**(53,727)**	**(53,728)**	33,620	(41,227)	**(61,334)**
TOTAL USABLE RESERVES	**(351,416)**	**272,132**	**(216,688)**	**(295,972)**	**(295,973)**	**68,731**	**(93,332)**	**(320,573)**

Notes supporting the Balance Sheet

19 Property, Plant and Equipment Movements in 2025/26

The valuations, excluding vehicles, plant, equipment, infrastructure assets and community assets are carried out by Richard Fear, MRICS, Property Investment Manager – Growth & Regeneration. The basis for the valuation of all assets is set out in the statement of accounting policies.

2025/26	Council Dwellings	Other Land & Buildings	Right of Use Assets	Vehicles, Plant, Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total PPE Excluding Infrastructure	Infrastructure Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation											
At 1 April 2025	**2,063,291**	**692,170**	**46,202**	**120,625**	**9,836**	**81,835**	**13,123**	**3,027,082**	**-**	**3,027,082**	**41,483**
Additions	87,220	17,756	7,231	6,648	2,091	77,721	37	198,704	62,599	261,303	-
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	(33,526)	(19,290)	(3)	-	-	-	(123)	(52,942)	-	(52,942)	-
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	(94,326)	8,077	-	-	23	-	(327)	(86,553)	(15)	(86,568)	-
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(11,766)	(34)	-	-	-	-	(11,800)	(193)	(11,993)	-
Derecognition - Disposals/termination	(11,281)	(15,554)	(1,261)	(22,641)	-	-	(190)	(50,927)	-	(50,927)	-
Assets reclassified to / from Held for Sale	-	-	-	-	-	-	-	-	-	-	-
Assets reclassified to / from Investment	-	-	-	-	-	765	-	765	-	765	-
Other movements in cost or valuation	17,511	(2,936)	-	(1,464)	-	(13,933)	795	(27)	-	(27)	-
At 31 March 2026	**2,028,889**	**668,457**	**52,135**	**103,168**	**11,950**	**146,388**	**13,315**	**3,024,302**	**-**	**3,024,302**	**41,483**
Accumulated Depreciation and Impairment											
At 1 April 2025	**(17,578)**	**(13,111)**	**(3,084)**	**(70,913)**	**(777)**	**(14)**	**(58)**	**(105,535)**	**-**	**(105,535)**	**(545)**
Depreciation Charge	(35,019)	(19,275)	(4,219)	(6,670)	-	-	(127)	(65,310)	(15,496)	(80,806)	-
Depreciation written out to Revaluation Reserve	34,930	19,290	3	-	-	-	123	54,346	-	54,346	-
Depreciation written out to the Surplus / Deficit on the Provision of Services											
Other movements in depreciation and Impairment	(65)	429	415	21,974	(10)	(45)	(6)	22,692	-	22,692	-
At 31 March 2026	**(17,732)**	**(12,667)**	**(6,885)**	**(55,609)**	**(787)**	**(59)**	**(68)**	**(93,807)**	**(15,496)**	**(93,807)**	**(545)**
Balance Sheet at 31 March 2026	**2,011,157**	**655,790**	**45,250**	**47,559**	**11,163**	**146,329**	**13,247**	**2,930,495**	**433,227**	**3,363,722**	**40,938**
Balance Sheet at 31 March 2025	**2,045,713**	**679,059**	**43,118**	**49,712**	**9,059**	**81,821**	**13,065**	**5,068,390**	**386,332**	**5,454,722**	**40,937**

Property, Plant and Equipment Comparative movements in 2024/25

2024/25	Council Dwellings	Other Land & Buildings	Right of Use Assets	Vehicles, Plant, Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total PPE Excluding Infrastructure	Infrastructure Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation											
At 1 April 2024	**1,915,857**	**673,697**	**-**	**114,822**	**8,901**	**63,967**	**27,604**	**2,804,848**	**-**	**2,804,848**	**28,069**
Adjustment for right of use assets	-	(28,794)	43,218	-	-	-	-	14,424	-	14,424	-
Revised Balance at 1 April 2024	**1,915,857**	**644,903**	**43,218**	**114,822**	**8,901**	**63,967**	**27,604**	**2,819,272**	**-**	**2,819,272**	**28,069**
Additions	97,321	40,656	8,033	5,803	927	33,589	-	186,329	52,009	238,338	-
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	(33,708)	(19,757)	(641)	-	-	-	(110)	(54,216)	-	(54,216)	(721)
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	59,676	64,376	(4,413)	-	5	(725)	2,667	121,586	-	121,586	14,135
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(15,050)	5	-	-	-	145	(14,900)	-	(14,900)	-
Derecognition - Disposals	(5,449)	(19,671)	-	-	-	-	(7,467)	(32,587)	-	(32,587)	-
Assets reclassified to / from Held for Sale	-	-	-	-	-	-	723	723	-	723	-
Assets reclassified to / from Investment	-	-	-	-	-	843	(5)	838	-	838	-
Other movements in cost or valuation	29,594	(3,287)	-	-	3	(15,839)	(10,434)	37	-	37	-
At 31 March 2025	**2,063,291**	**692,170**	**46,202**	**120,625**	**9,836**	**81,835**	**13,123**	**3,027,082**	**-**	**3,027,082**	**41,483**
Accumulated Depreciation and Impairment											
At 1 April 2024	**(16,174)**	**(21,665)**		**(63,226)**	**(712)**	**-**	**(98)**	**(101,875)**	**-**	**(101,875)**	**(357)**
Adjustment for right of use assets	-	749	(749)	-	-	-	-	-		-	-
Revised Balance at 1 April 2024	**(16,174)**	**(20,916)**	**(749)**	**(63,226)**	**(712)**	**-**	**(98)**	**(101,875)**		**(101,875)**	**(357)**
Depreciation Charge	(35,156)	(20,298)	(2,976)	(7,755)	-	-	(111)	(66,296)	(13,684)	(79,980)	(909)
Depreciation written out to Revaluation Reserve	33,708	19,757	641	-	-	-	110	54,216	-	54,216	721
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-	-
Other movements in depreciation and Impairment	44	862	-	65	(65)	(10)	41	937	-	937	-
At 31 March 2025	**(17,578)**	**(20,595)**	**(3,084)**	**(70,916)**	**(777)**	**(10)**	**(58)**	**(113,018)**	**(13,684)**	**(113,018)**	**(546)**
Balance Sheet at 31 March 2025	**3,961,570**	**694,746**	**43,118**	**164,531**	**17,960**	**145,792**	**40,673**	**5,068,390**	**386,332**	**5,454,722**	**40,937**
Balance Sheet at 31 March 2024	**1,899,683**	**654,570**	**42,469**	**51,596**	**8,189**	**63,967**	**27,508**	**2,747,982**	**348,007**	**3,095,989**	**27,706**

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. All replaced infrastructure components are determined to have fully depreciated and have a net amount of nil.
The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation [30M England] of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.
Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. The following useful lives and depreciation rates have been used:

- Council Dwellings 16–60 years.
- Other Land and Buildings 5–60 years.
- Vehicles, Plant, Furniture and Equipment 3–8 years.
- Infrastructure – 25 years (quay walls and lock gates in City Docks not depreciated as useful life beyond 100 years).

Capital Commitments

On 31 March 2026 the Council had entered several contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contract commitments of £198.5 million (£206.7 million in 2024/25).

Significant contractual commitments outstanding at 31 March 2026 were as follows:

		£m
Council Housing - City Leap Wave 3 - Energy Efficiency Rolling Retrofit Programme	Ameresco Ltd	23.2
Council Housing - Refurbishment of 3 high rise blocks (Francombe, Waring & Underdown)	Rateavon Ltd	20.8
Council Housing - Refurbishment of 3 high rise blocks (Barton Hill)	SERS Energy Solutions Ltd	16.3
Civil engineering works - Strategic Corridor, A4 Portway	South West Highways Ltd t/a Taylor Woodrow infrastructure Ltd	12.7
New Housing Provision - Romney House	One Lockleaze LLP	12.5
Warm Homes Local Grant - Energy efficiencies	Ameresco Ltd	9.1
New Housing Provision - Accelerated Housing Development Programme (AHDP)	Edaroth Ltd	9.1
New Housing Provision - Leinster Avenue	Hill Partnerships Ltd	8.5
New Housing Provision - Brunel Ford	Vistry Homes Ltd t/a Vistry Partnerships West Ltd	7.0
Avon Riverside flood defence project	Jacobs UK Ltd	6.6
New Housing Provision - Accelerated Acquisitions Programme	Constellia Public Ltd	6.4
New Housing Provision - Branwhite	Stepnell Ltd	5.6
New Housing Provision - Cameron	Stepnell Ltd	5.2
New Housing Provision - Airport Rd (Developer Led)	Boklok Housing Limited	4.9
Elmfield School redevelopment (Special Educational Needs & Disability)	E.W. Beard Limited	4.8
Civil engineering works - The Gateway and York Road river walls	Alun Griffiths (Contractors) Ltd	4.0
Council Housing - Refurbishment of 1 high rise block (Beaufort House)	Synergize Ltd	3.9
Council Housing - Heating Partnerships and installations	Gas World Ltd	3.8
Filwood Community Centre - retrofit & expansion works	Bray & Slaughter Ltd	3.7
Council Housing - Bathroom replacements	Jeff Way Construction Ltd	3.0
Council Housing - Refurbishment of 1 mid-rise block (Ropewalk House)	Synergize Ltd	3.0
New Housing Provision - Filwood	Stepnell Ltd	2.9
Bristol Beacon - construction deeds of variation works	Willmott Dixon Construction Ltd	2.7
Civil engineering works - Strategic Corridor City Centre, Temple Way	South West Highways Ltd t/a Taylor Woodrow infrastructure Ltd	2.6
Transport Projects for ETM Contractors Limited	ETM Contractors Ltd	2.4
New Housing Provision - Greville	Stepnell Ltd	1.8
Council Housing - Electrical Heating Installation	Jeff Way Construction Ltd	1.6
Council Housing - Domestic Electrical Rewires	Jeff Way Construction Ltd	1.6
New Housing Provision - 190-196 Romney Avenue	Stepnell Ltd	1.6
Highways Bridge works - Vauxhall Bridge	Alun Griffiths (Contractors) Ltd	1.5
Avonmouth & Severnside flood defence scheme	South Gloucestershire Council	1.4
Council Housing - Lift Refurbishment Programme	Stannah Lift Services	1.2
Bedminster Green regeneration - River restoration scheme	Suttle Projects Limited	1.2
Transport Harbour Walkway construction	Knights Brown Construction Ltd	1.2
Street Lighting - Strategic Corridor, A4 Portway	Centregreat Ltd	1.0
	Total	**198.5**

Revaluations

The Council carries out a rolling programme to ensure that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years, with asset values updated in the intervening years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Vehicles, Plant and Equipment are valued at depreciated historic cost, which is considered to be a suitable proxy for current value.

The following table shows the effective valuation dates for all Property Plant and Equipment:

	Council Dwellings	Other Land and Buildings	RoU	Vehicles, Plant, etc	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at depreciated historical cost	**-**	**37,039**	**-**	**103,168**	**146,388**	**-**	**286,595**
01 October 2024	2,028,889	552,750	52,135	-	-	13,315	**2,647,089**
01 October 2023	-	27,291	-	-	-	-	**27,291**
01 October 2022	-	10,654	-	-	-	-	**10,654**
01 October 2021	-	15,229	-	-	-	-	**15,229**
01 October 2020	-	25,494	-	-	-	-	**25,494**
Total cost valuation	**2,028,889**	**668,457**	**52,135**	**103,168**	**146,388**	**13,315**	**3,012,352**

In addition, the Council has instructed its valuers to undertake a review of all assets held in the Other Land and Buildings category to ensure that the carrying value of assets last valued in previous years is not materially different from their current value. To perform this exercise, the Other Land and Building category was split into subcategories, for example schools, car parks, leisure and culture etc. It was considered appropriate to reduce the properties within Property Plant and Equipment by £51.7 million, primarily relating to Council Dwellings (£41.8m), Land & Buildings (£9.8m) and Surplus Assets (£0.1m).

20 Heritage Assets

Reconciliation of the carrying value of Heritage Assets held by the Council.

		Art Collection	Ethnography & Foreign Archaeology	Antiquarian books	Other	Total
		£'000	£'000	£'000	£'000	£'000
Cost or valuation						
	1 April 2025	135,821	42,344	8,574	32,516	219,256
	Additions	3,356	-	-	4	3,360
	Revaluations	5,766	90	-	5,410	11,266
31 March 2026		**144,943**	**42,435**	**8,574**	**37,930**	**233,882**
Cost or valuation						
	1 April 2024	133,971	42,344	7,675	32,266	216,256
	Additions	-	-	-	-	-
	Revaluations	1,850	-	900	250	3,000
31 March 2025		**135,821**	**42,344**	**8,575**	**32,516**	**219,256**

The above collection of Heritage Assets is predominantly valued on an annual insurance valuation basis, and some items classified as "other" are valued at historic cost.

Other comprises biology (£16.7m), geology (£8.4m), Furniture & Books (£8.2m), social history (£2m), World Cultures (£1.3m), and Industrial and Maritime History (£1.3m).

Heritage Assets: Further Information on the Museum's collections

Loans

The Museum occasionally makes available loan items from its collection to regional and national museums and borrows collections for specific exhibitions. Collections not on display are held in secure storage but access is permitted on an appointment basis.

Preservation

The collections have been under the care of conservators since the 1940s. They specialise in antiquities, paintings, paper and photographs, and preventive conservation and are based at Bristol Museum and Art Gallery. Our conservators:

- Prepare artefacts for display.
- Set conservation standards for the refurbishment of permanent exhibitions.
- Prepare artefacts for loan to other institutions.
- Check new acquisitions.
- Assess the condition of objects and work on the installation of temporary exhibitions.
- Work to improve collections storage.
- Maintain permanent displays - this includes training staff and cleaning objects.

21 Investment Properties

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

	2025/26 £'000	2024/25 £'000
Rental income from Investment Property	(13,364)	(16,571)
Direct operating expenses arising from Investment Property	1,407	5,222
Net gain	**(11,957)**	**(11,349)**

There are no restrictions on the Council's ability to realise the value inherent in its Investment Property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop Investment Property or to carry out repairs, maintenance or enhancement.

The following table summarises the movement in the current value of Investment Properties over the year:

	2025/26 £'000	2024/25 £'000
Balance at start of the year	339,602	315,591
Additions – purchases	424	949
Disposals	(4,260)	(656)
Net gains/losses from fair value adjustments	7,100	24,556
Transfers to/from Property, Plant and Equipment	(682)	(838)
Balance at end of the year	**342,184**	**339,602**

Gains or losses arising from changes in the current value of the investment property are recognised in the surplus or deficit on the provision of services – financing and investment income and expenditure line.

Current Value Hierarchy

Details of the authority's investment properties and information about the current value hierarchy are as follows:

	Other significant observable inputs (Level 2)	
	2025/26 £'000	2024/25 £'000
Retail	69,883	71,429
Industrial	210,196	209,922
Office	62,105	58,251
Balance at end of the year	**342,184**	**339,602**

The investment properties have been valued by the Council's in-house valuers (all RICS qualified) and by external specialists on an investment income basis which represents highest and best use overall.

There is a strong market for such property within Bristol with different markets for different sectors. Bristol City Council has a significant diverse portfolio of properties in the boundary of Bristol and has significant in-house experience of managing its estate. In determining the value of each asset, we have considered quoted prices for similar properties within the local market, existing lease terms and rentals, current market rentals and yields, the covenant strength for existing tenants and data and market knowledge from managing the Council's investment property portfolio, leading to the properties being categorised at Level 2 in the current value hierarchy.

22 Intangible Assets

The Council accounts for its Information Technology (IT) system software as Intangible Assets which includes purchased licenses covering a period of more than a year. All software is amortised over five years (this is based on assessments of the period that the software is expected to be of use to the Council). All software is carried at cost (used as a proxy for fair value) given the short life of the asset.
The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £2.877 million charged to revenue in 2025/26 was charged to the central ICT cost centre and the Housing Revenue Account (HRA). The charge to central ICT was absorbed as an overhead across all the service headings in the Net Cost of Service. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.
As part of a review in 2025/26, historic acquisitions that are no longer utilised have been derecognised. These are fully depreciated and have a nil impact on the net book value.
The purchases relate to the Housing Management System, part of the Housing Transformation Programme within the HRA.
The movement on Intangible Asset balances during the year is as follows:

	2025/26 £'000	2024/25 £'000
Balance at start of the year		
Gross carrying amounts	25,309	46,288
Accumulated amortisation	(19,248)	(36,081)
Accumulated impairment	-	(2,014)
Net carrying amount at start of year	6,061	10,859
Additions:		
Purchases	1,518	1,891
Derecognition (gross carrying amount)	(3,719)	(22,870)
Derecognition (accumulated depreciation/impairment)	3,719	22,870
Amortisation for the period	(2,877)	(4,023)
Net carrying amount at the end of year	**4,702**	**8,727**
Comprising:		
Gross carrying amounts	23,108	25,309
Accumulated amortisation	(18,406)	(19,248)
Accumulated impairment	-	-
Balance at end of the year	**4,702**	**6,061**

23 Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments. The value of debtors and creditors reported in the table are those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and associated notes also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

	Long-Term		Current	
	31-Mar 2026 £'000	31-Mar 2025 £'000	**31-Mar 2026 £'000**	31-Mar 2025 £'000
Financial Liabilities at Amortised cost				
Borrowing	(395,352)	(530,488)	(285,194)	(75,494)
Service Concessions	(85,238)	(98,163)	(14,509)	(9,584)
Creditors	(5,334)	(5,855)	(243,063)	(143,700)
Cash & Cash Equivalents	-	-	(10,230)	(12,051)
Total Financial Liabilities	**(485,924)**	**(634,506)**	**(552,996)**	**(240,829)**
Financial Assets at amortised cost				
Investments	-	-	192	219
Debtors*	26,971	25,644	192,397	139,525
Financial Assets at Fair Value through Other Comprehensive Income				
Investment	350	350	-	-
Financial Assets at Fair Value through profit and loss	-	-	-	-
Investments & Cash and Cash Equivalents	57,170	53,710	50,688	55,219
Total Financial Assets	**84,491**	**79,704**	**243,277**	**194,963**

Debtors include a £4.3 million loan to Bristol Waste and a £17.6 million loan to Goram Homes Limited as per note 38 Related Parties.

Movements

The increase in financial liabilities, circa £171m relates to (£74m) a net increase of Loans to support funding of the capital programme and changes in working capital and(£2m) in our overdraft on our main suite of bank accounts, there was also increase in the value of general creditors (£98m).

The financial assets increased by circa £54m primarily through an increase in current Debtors.

Borrowing

Current borrowing	31-Mar 2026 £'000	31-Mar 2025 £'000
Deposit loans (repayable at notice - up to 7 days)	38	18
Cash & Cash Equivalents -Bank Overdraft	10,230	12,051
- Public Works Loan Board	258,108	74,288
- Banks and other monetary sector	26,841	909
- Energy improvement Loans	167	259
- Local bonds and Stocks	40	21
Total	**295,424**	**87,546**

Non-current borrowing	31-Mar 2026 £'000	31-Mar 2025 £'000
Public Works Loan Board	308,439	445,439
Lender Option Borrower Option (Lobo)	35,000	35,000
Market Debt	51,864	50,000
Stocks	49	49
Total	**395,352**	**530,488**

Income, Expense, Gains or Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are as follows:

Financial Instruments Gains and Losses 2025/26

	Financial Liabilities		Financial Assets		
	Measured at amortised cost	Amortised Cost	Fair Value through the Other CI	Fair Value through the P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(18,599)	-	-	-	(18,599)
Total expense in Surplus or Deficit on the Provision of Services	**(18,599)**	**-**	**-**	**-**	**(18,599)**
Interest Income	-	(4,422)	-	4,634	212
Fair Value Movement	-	-	-	4,704	4,704
Dividend Income	-	-	-	4,317	4,317
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(18,599)**	**(4,422)**	**-**	**13,655**	**(9,366)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(18,599)**	**(4,422)**	**-**	**13,655**	**(9,366)**

Financial Instruments Gains and Losses 2024/25

	Financial Liabilities		Financial Assets		
	Measured at amortised cost	Amortised Cost	Fair Value through the Other CI	Fair Value through the P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(45,174)	-	-	-	(45,174)
Total expense in Surplus or Deficit on the Provision of Services	**(45,174)**	**-**	**-**	**-**	**(45,174)**
Interest Income	-	7,961	-	4,832	12,793
Fair Value Movement	-	-	-	(117)	(117)
Dividend Income	-	-	-	3,438	3,438
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(45,174)**	**7,961**	**-**	**8,153**	**(29,060)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(45,174)**	**7,961**	**-**	**8,153**	**(29,060)**

Fair Value of Financial Assets and Property Assets

Some of the authority's financial assets are measured in the Balance Sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Fair value measurements at 31 March 2026 using: **Fair value measurements at 31 March 2025 using:**

Descriptions	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable inputs
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	£000	£000	£000	£000	£000	£000
Recurring fair value measurements						
Fair Value through Profit and Loss						
Money Market Funds	50,688	-	-	55,219	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	37,600	-	-	34,000
Bristol Holdings (unquoted equity investment)	-	-	6,370	-	-	6,250
Other Unquoted private companies	-	-	0	-	-	0
Pooled Property Fund	-	-	13,200	-	-	13,460
Fair Value through Other Comprehensive Income	-	-	-			
Non-traded securities:	-	-	-			
Other unquoted private companies	-	-	350			350
Resonance Temporary Accommodation Property Fund	-	-	-	-	-	-
Resonance Property Fund	-	-	-	-	-	-
Pooled property fund	-	-	-	-	-	-
Total Non-traded securities:	**50,688**	**-**	**57,520**	**55,219**	-	**54,060**
Investment properties	-	342,184	-	-	339,602	-
Surplus Properties	-	13,249	-	-	13,067	-
Total recurring fair value measurements	**50,688**	**355,433**	**57,520**	**55,219**	**352,669**	**54,060**
Non-recurring fair value measurements						
Assets held for sale	-	509	-	-	509	-
Total non-recurring fair value measurements	**-**	**509**	**-**	**-**	**509**	**-**

Descriptions	Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000	Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000
Recurring fair value measurements						
Fair Value through Profit and Loss						
Money Market Funds	50,688	-	-	55,219	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	37,600	-	-	34,000
Bristol Holdings (unquoted equity investment)	-	-	6,370	-	-	6,250
Other Unquoted private companies	-	-	0	-	-	0
Pooled Property Fund	-	-	13,200	-	-	13,460
Fair Value through Other Comprehensive Income	-	-	-			
Non-traded securities:	-	-	-			
Other unquoted private companies	-	-	350			350
Resonance Temporary Accommodation Property Fund	-	-	-	-	-	-
Resonance Property Fund	-	-	-	-	-	-
Pooled property fund	-	-	-	-	-	-
Total Non-traded securities:	**50,688**	**-**	**57,520**	**55,219**	-	**54,060**
Investment properties	-	342,184	-	-	339,602	-
Surplus Properties	-	13,249	-	-	13,067	-
Total recurring fair value measurements	**50,688**	**355,433**	**57,520**	**55,219**	**352,669**	**54,060**
Non-recurring fair value measurements						
Assets held for sale	-	509	-	-	509	-
Total non-recurring fair value measurements	**-**	**509**	**-**	**-**	**509**	**-**

Valuation techniques and Inputs Description of asset	Valuation hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key sensitivities affecting the valuations provided
Money Market Funds	Level 1	Unadjusted quoted prices in active markets for identical shares	Latest quoted prices	
Surplus assets	Level 2	All surplus assets have been valued by RICS qualified valuers to Fair Value less costs to sell, reflecting highest and best use.	Evidence of title, floor area, siting and site conditions, type/age and current use of the property have been taken into account together with general market conditions and advertised value of similar properties currently up for sale.	Not all assets are physically inspected every year. Latent defects, repair and maintenance backlogs, general changes in the market and other impairments could have a significant impact on the values provided.
Investment Properties (further detailed information in note 22)	Level 2	All investment properties have been valued by the Council's in-house valuers (all RICS qualified) on an investment income basis which we are satisfied represents highest and best use overall.	All valued on an investment income basis, using existing lease terms and current yields	Changes to market conditions, lease terms, covenant strength and occupancy levels could all affect the asset valuations provided.
Bristol Port Company	Level 3	This investment has been valued by an external specialist valuation company for financial year ending **31st March 2026** and refreshed by Council officers (Jon Clayton) for this financial year on a similar basis.	Calculations have been based an income approach to valuation, by applying a multiple derived from the market to a maintainable profit figure.	Changes to market conditions (local and global), and the comparable data used within the valuations. If future growth returns are greater or lesser by 1% than the 3% forecast, the fair value will be circa £3.6m higher or lower respectively.
Bristol Holdings	Level 3	This investment has been valued at the Council's share of each company's net assets.	Calculations have been based on their unaudited accounts and adjusted for customer base valuation as at 31 March 2026.	Valuations could be affected by the difference between audited and unaudited accounts
Investments in unquoted companies	Level 3	These investments have been valued at the Council's share of each company.	Calculations have been based on their latest audited accounts	The value of these companies relatively low (£350k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Funds	Level 3	These investments have been valued at the Council's share within the pooled funds.	The valuation for Pooled Property Funds has been based on the latest quarterly financial report (31st December 2026).	Changes to housing market conditions could affect the valuation of the pooled property fund. If the market value of the properties within this fund is greater or lesser than 1% the fair value of the investment will be £118k higher or lower respectively.

Transfers between levels of the fair value hierarchy

There were no transfers between levels 1 and 2 during the year.

Changes in valuation technique

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

Reconciliation of fair value measurements for assets at fair value within level 3

Description	31 March 2026 Non-traded securities	31 March 2025 Non-traded securities
	£000	£000
Opening balance	54,059	54,131
Total gains/(losses) for the period:	4,704	192
included in the surplus/(deficit) on the Provision of Services	-	-
Included in Other Comprehensive Income and Expenditure	-	(90)
	-	-
Additions	-	145
Disposals	(1,243)	(319)
Closing balance	**57,520**	**54,059**

Gains and losses included in the surplus / (deficit) on the provision of services for the current year primarily relates to the investments in Bristol Port (£4m), Resonance Property Fund (+£50k), Bristol Energy A & Tech Services (+£1.020m) and Resonance Temporary Accommodation Property Fund (-£34k).

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation.
- For non-PWLB loans payable, prevailing interest rates have been applied to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Financial Liabilities	31 March 2026		31 March 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Cash & Cash Equivalents	10,230	10,230	**12,051**	12,051
Public Works Loan Board (PWLB)	566,547	503,000	**519,727**	466,500
Lender Option Borrower Options	35,442	25,800	**35,439**	27,000
Market Debt	52,313	38,106	**50,470**	38,200
Service Concessions	107,132	(121,152)	**107,747**	125,141
Other	31,578	31,578	**6,202**	6,202
Total Liabilities	**803,241**	**487,562**	**731,636**	**675,094**

The Authority has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £956 million an increase of £62 million which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value for financial liabilities and assets has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above; the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

The fair value of the liabilities is less than the carrying amount because of service concessions; others are lower because the Authority's portfolio of loans includes a number of 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 at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 March 2026		31 March 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Current investments	10,230	10,230	(0)	(0)
Cash and Cash Equivalents	(10,038)	(10,038)	219	219
Non-current investments	0	0	(0)	(0)
Current Debtors	192,397	192,397	139,525	139,525
Non-current Debtors	26,971	26,971	25,644	25,644
Total Financial Assets	**219,560**	**219,560**	**165,388**	**165,388**

The fair value of the assets is the same as the carrying value due to the majority of these assets having a maturity of less than 12 months or is a trade or other receivable where the fair value is taken to be the carrying amount or the billed amount.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Descriptions	Fair value measurements at 31 March 2026 using:			Fair value measurements at 31 March 2025 using:		
	Quoted prices in active markets Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Quoted prices in active markets Level 1	Observable inputs Level 2	Unobservable inputs Level 3
	£000	£000	£000	£000	£000	£000
Recurring fair value measurements using:						
Financial Liabilities held at amortised cost						
Cash and Cash Equivalent	-	10,230	-	-	12,051	-
Public Works Loan Board (PWLB)	-	566,547	-	-	519,727	-
Lender Option Borrower Options	-	35,442	-	-	35,439	-
Market Debt	-	52,313	-	-	50,470	-
Service Concessions	-	**107,132**	-	-	107,747	-
Other	-	31,578	-	-	6,202	-
Total	**-**	**803,241**	**-**	**-**	**731,636**	**-**
Financial Assets held at amortised cost						
Current investments	-	10,230	-	-	-	-
Cash and Cash Equivalents	-	(10,038)	-	-	219	-
Non-current investments	-	-	-	-	-	-
Non-current Debtors	-	26,971	-	-	25,644	-
Total	**-**	**27,163**	**-**	**-**	**25,863**	**-**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

24 Nature and Extent of Risks Arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss might arise for the Authority because of changes in such measures as interest rates and money market 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 a central treasury team, under policies approved by the Council in the annual treasury management strategy, and compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice, and Investment Guidance that is issued under the Local Government Act 2003. 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. These are required to be reported and approved at or before the Council's annual council tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy that outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported annually to Members.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 25 February 2025 and is available on the Council website.

Credit risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with Fitch, Standard and Poor's and Moody's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

Details of the Investment Strategy can be found on the Council's website. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term of F1, Long Term A-, with the lowest available rating being applied to the criteria.
- UK institutions provided with support from the UK Government.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies will vary according to credit ratings assigned by the three main credit rating agencies and 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 irrecoverability applies to all the Authority's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise.

Allowance for Credit Losses

The following analysis summarises the Council's potential maximum exposure to credit risk on financial assets valued at amortised cost, based on experience of default and un-collectability over the last five financial years, adjusted to reflect current market conditions.

	Amount	Historical experience of default	Adjustment for market conditions	Estimated maximum exposure to default	Estimated maximum exposure to default
	£0	%	%	£0	£0
	A	B	C	(A*C)	
Non-Current Investments:	**31 March 2026**	**31 March 2026**	**31 March 2026**	**31 March 2026**	**31 March 2025**
Non-traded securities	-	0.00%	0.00%	-	-
Sub-total	**-**			-	-
Current Investments:					
Local Authorities	90	0.00%	0.00%	-	-
AA rated counterparties	84	0.02%	0.02%	-	-
A rated counterparties	18	0.04%	0.04%	-	-
Sub-total	**192**			**-**	**-**
Trade debtors	**192,397**			-	-
Non-current debtors	**26,971**			-	-
Total Financial assets	**219,560**			**-**	**-**

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31 March 2026.
No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.
The Council does not generally allow credit for its trade debtors, including amounts due from government departments and other Local Authorities.
The risk of loss for trade receivables is minimised by a combination of the following:

- Wherever possible obtaining payment in advance of service delivery
- Availability and encouragement to pay by direct debit
- A wide range of payment options available, including by telephone, internet, banks and retail networks (via the Allpay solution i.e. Payzone, Paypoint and Post Offices)
- Having a standardised recovery process including reminder letters and statement of accounts
- Utilising a corporate Debt Management Team to take an ethical debt approach to all types of debt with referral to External Debt Collection agencies or instigating Court claims only used as a last resort
- Negotiating flexible repayment plans for overdue debt where necessary

The write off of a debt is always the last option available and is only taken when all other appropriate measures have been taken to recover payment, and in cases of bankruptcy.
The bad debt provision is calculated based on future expectation of debt collection, in line with IFRS 9 and by reference to the Council's historic experience with the provision being applied to debts over 60 days old and the value increasing according to the age of the debt.

Debtor analysis	Gross debtor at 31 March 2026 £'000	Allowance for credit losses at 31 March 2026 £'000	Net debtor at 31 March 2026 £'000	Net debtor at 31 March 2025 £'000
Local taxpayers	65,199	(40,152)	**25,047**	20,966
Housing rents	21,760	(13,250)	**8,510**	4,501
Other - sundry debtors	265,666	(38,317)	**227,349**	172,242
Total Other Entities and Individuals	**352,625**	**(91,719)**	**260,906**	**197,709**
Central Government bodies	24,000	-	**24,000**	26,339
Other local authorities	1,282	-	**1,282**	1,336
NHS bodies	1,853	-	**1,853**	228
Total debtors	**379,760**	**(91,719)**	**288,041**	**225,612**
Balance sheet debtors	**379,760**	**(91,719)**	**288,041**	**225,612**
Current debtors not qualifying as a financial instrument under IFRS	(135,797)	40,152	**(95,645)**	(86,087)
Current debtors qualifying as a financial instrument under IFRS	**243,963**	**(51,567)**	**192,396**	**139,525**

The following table analyses the Gross debt that is now past due over varying periods. This overdue debt is covered by a provision for bad debt.

	31-Mar 2026 £'000	31-Mar 2025 £'000
Less than three months	30,347	33,311
Three to four months	1,635	1,273
Four months to one year	20,523	16,555
More than one year	54,573	54,703
Total	**107,077**	**105,842**

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 to cover day-to-day cash flow need and the Public Works Loan Board and capital markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, is as follows:

	31-Mar 2026 £'000	31-Mar 2025 £'000
Less than 1 year	243,277	194,963
Between 1 and 2 years	1,640	2,015
Between 2 and 3 years	645	1,631
More than 3 years	82,206	76,058
Total	327,768	**274,667**

The maturity analysis of financial liabilities is as follows:

	31-Mar 2026 £'000	31-Mar 2025 £'000
Less than 1 year	558,223	241,237
1 - 2 Years	52,135	174,148
2 - 5 Years	39,513	69,095
5 - 10 Years	52,560	44,367
10+ Years	336,488	346,488
Total	**1,038,919**	**875,335**

Refinancing and Maturity risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day-to-day cash flow needs and monitoring the spread of longer-term investments provides stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity profile of the Council's debt portfolio along with the Council's approved minimum and maximum exposure is shown in the table below.

	Approved minimum limits %	Approved maximum limits %	Actual 31 March 2026 £'000	%	Actual 31 March 2025 £'000	%
Less than 1 year	-	60	285,194	0%	75,494	12%
Between 1 and 2 years	-	40	32,000	0%	152,000	25%
Between 2 and 5 years	-	40	6,864	0%	22,000	4%
Between 5 and 10 years	-	50	20,000	0%	10,000	0.02
More Than 10 Years	-	100	336,488	0%	346,488	57%
Total			**680,545**	**0%**	**605,982**	**100%**

Included within the maturity profile are £35 million of LOBOS with maturities averaging 31 years. Inherent within these loan instruments are options (averaging an option every 3 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options is currently low for the short to medium term. Therefore, the maturity of these loans in above table are currently based on their maturity date, 10 years and over.

Market risk

The Council is exposed 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 variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, 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 the Other Comprehensive Income and Expenditure Statement.

The Council has several strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

At 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31-Mar 2026 £'000
Increase in interest receivable on variable rate investments	1,135
Impact on Surplus or Deficit on the Provision of Services	1,135
Share of overall impact debited to the HRA	617
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)	139,342

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price risk

The Council does not generally invest in equity shares but has recently invested in Bristol Holdings, a wholly owned subsidiary. Whilst this holding is generally illiquid, the Council is exposed to losses arising from movements in the prices of these shares. As the shareholding has 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 so that the Council can monitor factors that might cause a fall in the value of specific holdings. These shares are valued at fair value.

Foreign exchange risk

During 2025/26 the Council received monies denominated in Euros relating to the receipt of European grant. The authority also made payments in a variety of currencies for the supply of goods and services. Payments and receipts are converted to Sterling at the earliest opportunity.

25 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/PP 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. Movements on the CFR are also analysed below.

	2025/26 £'000	2024/25 £'000
Opening Capital Financing Requirement	985,344	958,391
IFRS 16 transition adjustment related to PFI	-	4,198
Adjustment for Right of Use assets as a result of new accounting standard	-	6,930
Capital investment		
Property, Plant and Equipment	261,303	238,338
Investment Properties	424	949
Heritage Assets	3,360	-
Intangible Assets	1,518	1,892
Long Term Investments / Debtors	1,600	1,145
Revenue Expenditure Funded from Capital under Statute	27,869	49,709
Sources of finance		
Capital Receipts set aside for repayment of debt	(2,067)	(1,940)
Capital receipts	(20,215)	(56,037)
Government grants and other contributions	(100,348)	(130,413)
Capital Grants Unapplied	(681)	(538)
Sums set aside from revenue:		
· Direct revenue contributions	(7,496)	(21,630)
· Use of Major Repairs Reserve	(35,741)	(36,393)
· MRP – City Council Debt	(29,046)	(27,197)
· MRP – IFRS 16	(3,794)	(2,061)
Closing Capital Financing Requirement	**1,082,030**	**985,344**
Explanation of movements in year		
Less Minimum Revenue Provision	(32,840)	(29,258)
Use of capital receipt for repayment of debt	(2,067)	(1,940)
Increase in underlying need to borrowing (unsupported by government financial assistance)	63,863	40,138
Increase in Capital Financing Requirement	**28,956**	**8,940**

26 Leases

Council as Lessor

Operating Leases

The Council leases out property within the commercial trading estate 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

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

	31-Mar 2026 £'000	31-Mar 2025 £'000
Not later than one year	16,308	16,203
Later than one year and not later than five years	55,081	55,101
Later than five years	964,769	961,727
	1,036,158	**1,033,031**

The minimum lease payments receivable at 31 March 2026 and 2025 are based on the current rents receivable at the respective Balance Sheet dates. They do not include estimates of future rents reviews or contingent rents.

Council as Lessee

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and vehicles.

Right of Use Assets

The following table shows the change in the value of right-of-use assets held under leases by the council.

	Land and Buildings £'000	Vehicles, Plant & Equipment £'000	Total £'000
Balance as at 1 April 2025	**41,429**	**1,689**	**43,118**
Additions	5,548	1,683	42,468
Revaluations	(34)	-	8,034
Depreciation	(3,183)	(1,036)	(5,049)
Termination	(735)	(111)	(2,336)
Balance as at 31 March 2026	**43,025**	**2,225**	**86,236**

Lease Liabilities

The table below shows the movement in lease liabilities recognised under IFRS 16 during the year. Lease liabilities represent the present value of future lease payments, discounted using the Council's incremental borrowing rate. Movements include new leases recognised, repayments of principal, and interest accrued. Further details of the associated Right-of-Use assets are provided in Note 19.

	£'000
Balance as at 1 April 2025	(8,498)
Additions	(5,606)
Less Lease Payments	4,341
Interest Incurred	(517)
Termination	840
Balance as at 31 March 2026	**(9,440)**

Broken down as:	£'000
Current Lease Liability	(4,020)
Non-Current lease liability	(5,420)
Total	**(9,440)**

27 Service Concessions

Schools PFI Phase 1A

On 31 March 2004 the Council entered into a Private Finance Initiative (PFI) contract with Bristol Schools Limited. The contract provided for the design, construction and financing of four new secondary schools, Bedminster Down, Henbury School, Orchard School and Oasis Academy Brightstowe. All four schools were constructed and are operational. Bristol Schools Limited will maintain and operate the facilities for twenty-six years from the date the first school became operational.

A capital contribution of £5.346m was made to the first phase of the project by way of a cash payment. This was in respect of the provision of leisure facilities and of the retention of part of the site of Henbury School by the Council, for subsequent disposal.

As at 31 March 2026, cumulative payments totalling £207m (£195m in 2024/25) have been made to the PFI contractor. The future estimated payments the Council will make under the contract are as follows:

Year	Payment for Services £'000	Repayment of Liability £'000	Interest £'000	Other £'000	Total £'000
2026/27	3,649	3,335	2,606	1,589	**11,178**
2027/28 to 2031/32	17,087	18,819	6,322	3,860	**46,087**
Total	**20,735**	**22,154**	**8,928**	**5,449**	**57,266**

Over the life of the PFI project, the Council is scheduled to receive government grant of £134.8m.

Schools PFI Phase 1B and 1C, Building Schools for the Future

During 2006/07 the Council entered into a PFI contract with Bristol PFI Limited to design, build, finance and operate four additional schools in Bristol. A Local Education Partnership (LEP) was also created to manage the supply chain and deliver the four schools. The partnership is between Skanska Education Partnerships (80%), Partnership for Schools (10%) and Bristol City Council (10%). The schools are Brislington Enterprise College, Bristol Brunel Academy, Bristol Metropolitan Academy and Bridge Learning Campus. Bristol PFI Limited will maintain and operate the facilities for twenty-seven years from the date the first school became operational.

A capital contribution of £9.569m was made to the project by way of a cash payment. This was used towards the cost of the Bridge Learning Campus and provision of leisure facilities at Bristol Brunel Academy.

As at 31 March 2026, cumulative payments totalling £322m (£300m in 2024/25) have been made to the PFI contractor. The future estimated payments the Council will make under this contract are as follows:

Year	Payment for Services	Repayment of Liability	Interest	Other	Total
	£'000	£'000	£'000	£'000	£'000
2026/27	6,358	4,657	4,108	7,497	**22,620**
2027/28 to 2031/32	34,671	29,322	14,610	37,560	**116,163**
2032/33 to 2034/35	18,351	19,364	2,577	17,355	**57,647**
Total	**59,379**	**53,344**	**21,295**	**62,413**	**196,431**

Over the life of the PFI project, the Council is scheduled to receive government grant of £326.3m.

Hengrove Leisure Centre

In April 2010 the Council entered into a PFI contract with Bristol Active Limited to design, build, finance and operate a new leisure centre, and associated car park, in Hengrove. The centre opened in February 2012 and Bristol Active Limited will operate and maintain the facility until 2037.

The assets and associated liability have been included on the Council's Balance Sheet in accordance with IFRS.

A capital contribution of £7.161m was made to the project by way of a cash payment. This was used to fund the capital works for the Car Park and as a contribution towards the capital works of the Leisure Centre.

As at 31 March 2026, payments totalling £50m (£46m in 2024/25) have been made to the PFI Contractor. The future estimated payments the Council will have to make under the Contract are as follows:

Year	Payment for Services	Repayment of Liability	Interest	Other	Total
	£'000	£'000	£'000	£'000	£'000
2026/27	404	629	1,060	1,543	**3,636**
2027/28 to 2030/31	1,678	3,325	3,471	6,280	**14,754**
2031/32 to 2035/36	2,197	5,036	2,317	9,407	**18,957**
2036/37	652	1,216	126	1,645	**3,639**
Total	**4,527**	**9,577**	**5,914**	**17,332**	**37,350**

Over the life of the PFI project, the Council is scheduled to receive government grant of £69.6m.

Property, Plant and Equipment

The PFI assets, and related liabilities, have been recognised on the Council's balance sheet when made available for use. Movements in their value over the year are detailed in the analysis of the movements on the Property, Plant and Equipment balance in Note 19. The assets will be transferred back to the Council at the end of the contracts for nil consideration.

Locally managed schools transferring to Academy status are granted a 125-year peppercorn lease and, in response to CIPFA guidance, are de-recognised from the Council's accounts as control of these assets is transferred to the Academy.
Payments are made to the PFI contractors as monthly "unitary payments". The estimated payments the Council will make under the contracts are shown below.

These payments are commitments and can vary subject to indexation, reductions for performance and availability failures, and possible future variations to the scheme.

The funding of the unitary payment for the School PFI schemes will come from the individual school's budget, the overall school's budget and a special government grant. The Hengrove Leisure unitary payment will be funded by the special government grant, with the balance provided from Sports Services budgets. PFI payments are accounted for in the year in which the service was provided and are allocated to repayment of the liability, finance cost, service charge and other costs (lifecycle cost and contingent rents).

The unitary payments have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred, and the interest payable on financing the capital expenditure. The Hengrove Leisure PFI contains a significant amount of third-party income, this is income received directly by the PFI Contractor from the users of the facility. The payment for services has been shown net of this estimated income, as the unitary payments have been reduced to reflect the operator's right to this income. The outstanding liability due to the contractor for reimbursement of capital expenditure is as follows:

	Schools		**Hengrove Leisure**	
	2025/26	2024/25	**2025/26**	2024/25
	£'000	£'000	**£,000**	£'000
Balance outstanding at the start of year	85,245	89,581	16,022	11,140
IFRS 16 transition adjustment	-	(957)	-	5,155
Restated balance outstanding at the start of year	85,245	88,624	16,022	16,295
Lease liability remeasurement	(4,697)	2,600	3,563	489
Movement in year	(81)	(5,979)	650	(762)
Balance outstanding at year end	80,466	85,245	20,235	16,022

The above listed commitments are affected by past inflation – previous price rises will be built into future payments. They are also affected by future inflation, which gives rise to uncertainty.

Bristol Waste Contract

In 2025/26 the Council continued the service contract with Bristol Waste Company to provide recycling and waste services. The assets and associated liability have been included on the Council's Balance Sheet in accordance with IFRS.

The future estimated payments the Council will make under the contract are as follows:

Year	**Payment for Services £'000**	**Repayment of Liability £'000**	**Interest £'000**	**Total £'000**
2025/26	42,975	2,175	150	**45,300**
2026/27 to 2027/28	10,765	4,304	31	**15,100**
Total	**53,740**	**6,479**	**181**	**60,400**

Total Balance Outstanding on all Service Concessions is shown in the table below:

	Schools		Hengrove Leisure		Bristol Waste Contract		Total	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Balance outstanding at the start of year	**85,245**	88,624	**16,023**	16,296	**6,479**	8,590	**107,747**	113,510
Movement in year	(4,779)	(3,379)	4,213	(273)	(2,111)	(2,111)	(2,676)	(5,763)
Balance outstanding at year end	**80,466**	85,245	**20,236**	16,023	**4,368**	6,479	**105,071**	107,747

28 Debtors

		31 March 2026 £'000	31 March 2025 £'000
i	**Short Term** Debtors		
	Trade receivables	14,751	20,355
	Prepayments	13,010	11,399
	VAT	24,030	15,660
	Other	236,250	178,198
	Total	**288,041**	225,612

Impairments for doubtful debts are detailed in Note 24.

		31 March 2026 £'000	31 March 2025 £'000
ii	**Long Term** Debtors		
	Mortgages	190	190
	Capital loans (Probation/Fire/LEP/Bristol Waste)	26,662	25,308
	South Gloucestershire Council	218	245
	Former County Council debt	30,730	32,009
	Total	**57,800**	57,752

29 Inventories

	31 March 2026 £'000	31 March 2025 £'000
Stock	3,510	3,354
Total	**3,510**	**3,354**

30 Cash and Cash Equivalents

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

	31 March 2026 £'000	31 March 2025 £'000
Cash held by the Council	187	210
Bank current accounts	(10,230)	(12,051)
Short-term deposits with banks / building societies	50,694	55,228
Total Cash and Cash Equivalents	**40,650**	**43,387**

31 Creditors

Current liabilities	31 March 2026 £'000	31 March 2025 £'000
Trade payables	25,138	36,124
Other payables	240,718	141,025
Receipts in advance	33,816	18,628
Total	**299,671**	**195,777**

Other long-term liabilities	31 March 2026 £'000	31 March 2025 £'000
Service Concession contract liabilities (see Note 27)	85,238	98,163
Retirement benefit obligations (see Note 34)	55,702	102,891
Deferred liabilities	37,239	39,097
Rent Deposits	107	103
Total	**178,286**	**240,254**

Deferred liabilities are amounts which, by arrangement, are payable beyond the next year, at some point in the future or are to be paid off by an annual sum over a period. As at 31 March 2026 the liability in the Council's Balance Sheet of £32 million (2024/25: £39.1 m) comprised of former County Council loan debt.

32 Provisions

	Balance at 31 March 2024	Additional provisions made in 2025/26	Amounts used in 2025/26	Balance at 31 March 2026	Due < 1 year	Due > 1 year
	£'000	**£'000**	**£0**	**£'000**	**£'000**	**£'000**
Business Transformation	(224)	(24)	137	(111)	(111)	-
Succession Planning	(375)	-	127	(248)	(248)	-
Insurance fund	(2,591)	(561)	1,734	(1,418)	(1,015)	(403)
NDR Provision for appeals	(21,912)	(9,128)	9,340	(21,700)	(10,000)	(11,700)
Legal	(498)	-	-	(498)	(498)	-
Other	(369)	(69)	-	(438)	-	(438)
	(25,969)	**(9,782)**	**11,338**	**(24,413)**	**(11,872)**	**(12,542)**
Due < 1 year	(12,954)			(11,872)		
Due > 1 year	(13,015)			(12,541)		
	(25,969)			**(24,413)**		

Details of the provisions are shown in the table below:

Provision	Purpose
Business Transformation	Covers the cost of exit costs arising from the Council's restructure proposals.
Succession Planning	Covers pension stain on the fund costs arising from the Council's succession planning.
Insurance fund	Covers certain risks arising from employer's liability and public liability, supplementing the Council's arrangement with external insurers, together with other risks.
NDR Provision for appeals	Covers the cost of future appeals
Legal	Created to cover the costs of various outstanding legal cases within Adult Social Care
Other	Other provisions are individually not material

33 Unusable Reserves

Unusable Reserves

	31 March 2026 £'000	31 March 2025 £'000
Revaluation Reserve	(1,090,147)	(1,189,654)
Capital Adjustment Account	(1,837,600)	(1,758,590)
Financial Instruments Adjustment Account	6,011	6,188
Deferred Capital Receipt Reserve	(14,578)	(14,578)
Pensions Reserve	55,702	107,532
Collection Fund Adjustment Account – Council tax	2,746	(926)
Collection Fund Adjustment Account – NNDR	11,455	6,797
Accumulated Absences Account	10,747	9,670
Dedicated Schools Grant Adjustment Account	85,420	55,892
Total	**(2,770,244)**	**(2,777,671)**

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.

	2025/26 £'000	2025/26 £'000	2024/25 £'000	2024/25 £'000
Balance at 1 April		**(1,189,654)**		**(1,105,435)**
Upward revaluation of assets	55,024		(149,926)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	18,901		25,304	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		73,925		(124,622)
Amount written off to the Capital Adjustment Account		25,583		40,403
Balance at 31 March		**(1,090,146)**		**(1,189,654)**

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 enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. 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 17 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**(1,758,590)**	**(1,606,957)**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	80,789	82,357
Other adjustments (including IFRS16 and PFI remeasurement)	(434)	-
Revaluation losses on Property, Plant and Equipment	11,991	14,899
Amortisation of Intangible Assets	2,877	4,023
Movement in the fair value of financial Instruments	(3,731)	(132)
Revenue Expenditure Funded from Capital Under Statute	27,869	49,709
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	31,632	36,738
	(1,607,596)	**(1,419,362)**
Adjusting amounts written out of the Revaluation Reserve	(25,583)	(40,403)
Net written out amount of the cost of non-current assets consumed in the year	(1,633,179)	(1,459,765)
Capital financing applied in the year:	-	
Use of the Capital Receipts Reserve to finance new capital expenditure	(20,215)	(56,037)
Use of the Major Repairs Reserve to finance new capital expenditure	(35,741)	(36,393)
Use of the Capital Grants Unapplied to finance new capital expenditure	(681)	(538)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(100,348)	(130,413)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(32,840)	(29,258)
Use of the Capital Receipts Reserve for repayment of Long-Term Investments financed by borrowing	(2,067)	(1,940)
Long Term Capital Investment repaid	2,067	1,940
Capital expenditure charged against the General Fund and HRA balances	(7,496)	(21,630)
	(1,830,499)	**(1,734,034)**
Movements in the market value of Investments debited or credited to the Comprehensive Income and Expenditure Statement	(7,100)	(24,556)
Balance at 31 March	**(1,837,599)**	**(1,758,590)**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans.

Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the Account at 31 March 2026 will be charged to the General Fund over the next 36 years.

	2025/26 £'000	2025/26 £'000	2024/25 £'000	2024/25 £'000
Balance at 1 April		**6,188**		6,365
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement				
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(177)		(177)	
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements		(177)		(177)
Balance at 31 March		**6,011**		6,188

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 authority 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.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**(14,578)**	(10,026)
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the comprehensive income and expenditure statement	-	(5,125)
Transfer to the capital receipts reserve upon receipt of cash	-	573
Balance at 31 March	**(14,578)**	(14,578)

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 the pension fund 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.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**107,532**	**244,091**
Remeasurements on pensions assets and liabilities	(26,680)	(131,934)
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	36,515	53,151
Employer's pensions contributions and direct payments to pensioners payable in year	(61,665)	(57,776)
Balance at 31 March	**55,702**	**107,532**

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 rate payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**5,872**	**(8,340)**
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	8,330	14,212
Balance at 31 March	**14,201**	**5,872**

Accumulated Absences Account

The Accumulating Compensated Absences Adjustment 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 - for example, annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance be neutralised by transfers to or from the account.

	2025/26 £'000	2025/26 £'000	2024/25 £'000	2024/25 £'000
Balance at 1 April		**9,670**		**9,259**
Settlement or cancellation of accrual made at the end of the preceding year	(9,670)		(9,259)	
Amounts accrued at the end of the current year	10,747		9,670	
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		1,077		411
Balance at 31 March		**10,747**		**9,670**

Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant Adjustment Account records the cumulative Dedicated Schools Grant (DSG) deficit position that is required to be held in an unusable reserve under statutory arrangements rather than being charged to the General Fund Balance. Further details on the deployment of DSG are provided in Note 15.

During 2025/26, the Government announced a High Needs Stability Grant to support local authorities with DSG deficits. The grant is expected to be calculated by reference to the DSG deficit position at 31 March 2026 and is subject to specified conditions and adjustments. The potential accounting implications for the Council are set out in Note 40, Contingent Assets and Liabilities.

	2025/26 £'000	2024/25 £'000
Balance at 1 April	55,892	39,682
Transfer of the opening Dedicated Schools Grant deficit from earmarked revenue reserves	-	-
Reversal of the Dedicated Schools Grant within the surplus deficit on the provision of services in the Comprehensive Income and Expenditure Account	29,528	16,210
Balance at 31 March	**85,419**	**55,892**

34 Pensions

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in three pension schemes:

The Local Government Pension Scheme (LGPS) - all staff, with the exception of teachers, are eligible to join the Local Government Pension Scheme (LGPS). The scheme is administered by Bath and North East Somerset Council and is called the Avon Pension Fund. The Fund provides members with benefits related to length of service and pensionable salary. The LGPS is a funded defined benefit pension arrangement for local authorities and is governed by statute principally now the Local Government Pension Scheme Regulations 2013.

The Teachers' Pension Scheme - Teachers employed by the Council are members of the Teachers' Pension Scheme, administered on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The Scheme is a multi-employer defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities.

The rate of contribution for 2025/26 was 28.68% resulting in a total payment of £13.708 million (£14.142m in 2024/25) to the Teachers' Pension Agency. In addition, the Council made payments totalling £2.881 million (£2.915m in 2024/25) in respect of pensions and added years where the early retirement of teachers was agreed. The Council also met its share of the residual liability for former Avon County Council employees, amounting to £1.457 million (£1.551m in 2024/25). The estimated liability for unfunded payments has been calculated by the actuary and is included in the Balance Sheet.

The National Health Service Pension Scheme – In 2025/26 a total payment of £0.474 million (£0.457m in 2024/25) was made to the NHS Pension Scheme, following the transfer of public health responsibilities from primary care trusts.

Accounting Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge 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 via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Income and Expenditure Account	-	-	-	-
Net cost of services	-	-	-	-
Current service cost	29,562	40,448	-	-
Past service gains/curtailment costs/Settlements	768	986	-	-
Administration expense	1,913	1,507	-	-
Financing and Investment Income Expenditure		-		-
Net interest cost	2,115	8,099	2,157	2,111
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	34,358	51,040	2,157	2,111
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	-		-	
Remeasurements (assets/liabilities)	(27,678)	(128,992)	998	(2,942)
Movement in Reserves Statement				
Reversal of net charges made for retirement benefits in accordance with IAS19	(34,358)	(51,040)	(2,157)	(2,111)
Actual amount charged against the General Fund Balance for pensions in the year:	-		-	
Employer's contributions payable to scheme	57,325	53,309	4,340	4,467

The Housing Revenue Account (HRA) Income and Expenditure Account has also been adjusted in 2025/26 to reflect the current service cost and an appropriate share of the net interest cost. The latter item has been apportioned to the HRA on the basis of pensionable pay.

Assets and Liabilities in relation to Retirement Benefits

	Funded liabilities: Local Government Pension Scheme		Unfunded liabilities: Local Government Pension Scheme		Unfunded liabilities: Teachers' Unfunded Pensions		Total Liability Local Government & Teachers Pensions	
	2025/26	2024/25	**2025/26**	2024/25	**2025/26**	2024/25	**2025/26**	2024/25
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
1 April	**(2,010,226)**	**(2,184,720)**	**(19,832)**	**(22,998)**	**(40,018)**	**(45,316)**	**(2,070,076)**	**(2,253,034)**
Current service cost	(29,562)	(40,448)	-	-	-	-	(29,562)	(40,448)
Interest on pension liabilities	(114,382)	(105,002)	(1,074)	(1,058)	(2,157)	(2,111)	(117,613)	(108,171)
Contributions by scheme participants	(17,821)	(16,183)	-	-	-	-	(17,821)	(16,183)
Remeasurement (liabilities)								
Effect of Asset Ceiling	(36,254)	(63,577)	-	-	-	-	(36,254)	(63,577)
Experience gain/(loss)	29,980	2,670	1,520	35	(764)	129	30,736	2,834
Gain/(loss) on financial assumptions	27,183	292,969	93	1,301	254	2,516	27,530	296,786
Gain/(loss) on demographic assumptions	(7,070)	5,193	(129)	94	(488)	297	(7,687)	5,584
Benefits paid	93,417	94,097	2,658	2,794	4,340	4,467	100,415	101,358
Past service grants, curtailment costs and settlements	(273)	4,775	-	-	-	-	(273)	4,775
31 March	**(2,065,008)**	**(2,010,226)**	**(16,764)**	**(19,832)**	**(38,833)**	**(40,018)**	**(2,120,605)**	**(2,070,076)**

Reconciliation of fair value of the Local Government Pension Scheme assets:

	2025/26 £'000	2024/25 £'000
01-Apr	**1,967,290**	**2,018,331**
Interest on plan assets	113,341	97,961
Remeasurement (assets)	12,355	(109,693)
Administration expense	(1,913)	(1,507)
Settlements	(495)	(5,761)
Employer contributions	52,684	48,667
Contributions by scheme participants	17,821	16,183
Benefits paid	(96,075)	(96,891)
31-Mar	**2,065,008**	**1,967,290**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.
The actual return on plan assets in the year was £129.514m (2024/25(£11.733m)).

Scheme History – Pension Assets and Liabilities Recognised in the Balance Sheet:

	2025/26 £'000	2024/25 £'000	2023/24 £'000
Present value of liabilities:			
Local Government Pension Scheme	(1,978,254)	(1,966,481)	(2,207,718)
Teachers' unfunded liabilities	(38,833)	(40,018)	(45,316)
Local Government Pension Scheme - Effect of Asset Ceiling	(103,518)	(63,577)	-
Fair value of assets in the Local Government Pension Scheme	2,065,008	1,967,290	2,018,331
Surplus/(deficit) in the scheme:			
Local Government Pension Scheme	(16,764)	(62,768)	(189,387)
Teachers' unfunded liabilities	(38,833)	(40,018)	(45,316)
Total	**(55,597)**	**(102,786)**	**(234,703)**

The total liabilities shown in the Balance Sheet comprise the above (£55.841m) together with a small amount in respect of pre-1974 liabilities (£0.104m) totalling (£55.945m).

Interest on the effect of the asset ceiling (IFRIC 14)

In accordance with IAS 19, the net interest charge is calculated on the opening net defined benefit position, which would include any opening adjustment for the asset ceiling where applicable; any such interest forms part of the net interest recognised in the Comprehensive Income and Expenditure Statement. Only the change in the effect of the asset ceiling (excluding amounts included in net interest) is recognised in Other Comprehensive Income. For 2025/26, there was an opening asset-ceiling balance and therefore interest arose on the asset ceiling £3.687 million (2024/25: £nil). The £36.626m shown is the change in the effect of the asset ceiling recognised in OCI.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed using the projected unit credit actuarial cost 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 assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Council's Fund being based on the latest full valuation of the scheme as at 31 March 2026.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2025/26	2024/25	**2025/26**	2024/25
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	22.1	22.0	22.1	22.0
Women	24.6	24.1	24.6	24.1
Longevity at 75 for current pensioners:				
Men	-	-	13.5	13.4
Women	-	-	15.5	15.1
Longevity at 65 for future pensioners:				
Men	23.2	23.2	-	-
Women	26.1	26.1	-	-
Rate for discounting scheme liabilities	6.2	5.8	6.0	5.7
Rate of inflation - CPI	2.9	2.6	2.9	2.7
Rate of increase in salaries	4.4	4.1	-	-
Rate of increase in pensions	3.0	2.7	3.0	2.8

The estimated Macaulay duration of liabilities (at later of 31 March 2026 or admission date) is 14 years retired.

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.

The actuary has provided a sensitivity analysis for each significant actuarial assumption as at the end of the reporting period. The table below shows how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at 31 March 2026.

Impact on the Defined Benefit Obligation in the Scheme (LGPS)	2025/26	2024/25
	£'000	£'000
Longevity (increase or decrease by 1 year)	43,702	43,390
Rate of inflation (increase or decrease by 0.25%)	73,242	71,634
Rate of increase in salaries (increase or decrease by 0.25%)	7,498	10,952
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	(140,235)	(136,831)

Impact on the Defined Benefit Obligation in the Scheme (Teachers)	2025/26	2024/25
	£'000	£'000
Longevity (increase or decrease by 1 year)	1,579	1,493
Rate of inflation (increase or decrease by 0.25%)	694	825
Rate of increase in salaries (increase or decrease by 0.5%)	(1,150)	(1,390)

Local Government Pension Scheme assets comprise

Asset Category	Sub-Category	31 March 2026 £'000	31 March 2025 £'000
Equities	Global Quoted	869,368	802,654
	Sub-total equities	**869,368**	**802,654**
Bonds	UK Government Indexed	433,652	379,687
	Sterling Corporate Bonds	289,101	188,860
	Sub-total bonds	**722,753**	**568,547**
Property	Property Funds	94,990	100,332
	Sub-total property	**94,990**	**100,332**
Alternatives	Hedge Funds	4,130	5,902
	Diversified Growth Funds	-	131,808
	Infrastructure	169,331	175,089
	Secured Income	204,436	212,467
	EFT's	18,585	7,869
	Private Debt	94,990	86,561
	Synthetic Offset	**(204,436)**	**-**
	Local Impact	**18,585**	-
	Sub-total alternatives	305,621	619,696
Cash and equivalents	Cash Accounts	**72,275**	(123,939)
	Sub-total cash	**72,275**	**(123,939)**
Total Assets		2,065,008	1,967,290

Governance and Risk Management

The liability associated with the Council's pension arrangements is material to the Council, as is the cash funding required.

Local Government Pension Scheme

Governance

As administering authority, Bath and North East Somerset Council (B&NES), has legal responsibility for the pension fund as set out in the Local Government Pension Scheme Regulations. B&NES delegates its responsibility for administering the Fund to the Avon Pension Fund Committee, which is the formal decision-making body for the Fund. The Avon Pension Fund Committee is responsible for the investment, funding, administration and communication strategies. It also monitors the performance of the fund and approves and monitors compliance of statutory statements and policies required under the Regulations. The Committee is supported by an Investment Panel which considers the investment strategy and investment performance in greater depth.

Asset and Liability (ALM) Strategy

The Avon Pension Fund does not have an explicit asset and liability matching strategy. The primary objective of its investment strategy is to generate positive real investment return above the rate of inflation for a given level of risk to meet the liabilities as they fall due over time. When setting the investment strategy, the expected volatility of the assets relative to the value placed on the liabilities was measured and taken into account. The aim of the strategy and management structure is to minimise the risk of a reduction in the value of the assets and maximise the opportunity for asset gains across the Fund.

To achieve its investment objective the Fund invests across a diverse range of assets such as equities, bonds, property and other alternative investments, and uses several investment managers. The risk management process identifies and mitigates the risks arising from the Fund's investment strategy and policies which are reviewed regularly to reflect changes in market conditions. As a result of its investment strategy, the Fund is exposed to a variety of financial risks including market risk (market price, interest rate and currency risk), credit risk and liquidity risk.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 16 years. Funding levels are monitored on an annual basis. A new triennial valuation was completed on 31 March 2025 and is effective from 1 April 2026.

The provisions of the LGPS and the Fund were amended with effect from 1 April 2014. Prior to that date benefits were paid on members' final salaries, whereas for service after that date benefits are based on career average salaries.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 are £52.097 million. Expected contributions for the Teacher Pensions Scheme in the year to 31 March 2026 are £4.340 million.

Unfunded Teachers' Discretionary Benefits

The Council is responsible for any additional discretionary pension benefits awarded to teachers upon early retirement outside of the terms of the teachers' pension scheme.

Governance

The Teachers' Pension Scheme arrangements are managed centrally by government departments/agencies, and there is no material involvement for the Council.

Impact on the Council's Cash Flows

The Scheme targets a pension paid throughout life. The amount of pension depends on how long employees are active members of the Scheme and their salary when they leave the Scheme ("final salary scheme") for service up to 31 March 2015, and on a revalued average salary ("career average scheme") for service from 1 April 2015.
The Council's involvement is limited to additional discretionary pension benefits to retired teachers which were rewarded at the point of retirement.

Risks Strategy

Given their unfunded nature, there are no investment risks in relation to this scheme. The greatest single risk is that the Government could change the funding standards relating to the scheme, increasing the Council's contributions.

Investment Risks

There are no investment risks in relation to these arrangements, given their unfunded nature. The greatest single risk is that the government could change the funding standards relating to them, which could increase the Council's contributions to them.

Notes supporting the Cash Flow Statement

35 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following significant items:

	2025/26 £'000	2024/25 £'000
Interest received	12,996	10,910
Interest paid	(26,101)	(38,782)
Dividends received	4,317	2,853

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

	2025/26 £'000	2024/25 £'000
Depreciation, impairment and downward revaluations	92,780	97,256
Amortisation	2,877	4,023
Increase/(decrease) in impairment for bad debt	(72)	566
(Decrease)/increase in creditors	98,212	(28,213)
(Increase)/decrease in debtors	(61,721)	5,038
(Increase)/decrease in inventories	(156)	20
Movement in pension liability	(20,508)	16
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	31,632	32,540
Other non-cash items charged to the net surplus or deficit on the provision of services	(11,232)	(17,902)
Net cash flows from non-cash movements	**131,813**	**93,344**

Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities:

	2025/26 £'000	2024/25 £'000
Any other items for which the cash effects are investing or financing cash flows	(101,029)	(132,930)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(24,719)	(34,401)
	(125,748)	**(167,331)**

36 Cash Flow Statement - Investing Activities

	2025/26 £'000	2024/25 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(259,806)	(248,307)
Purchase of short-term and long-term investments	-	(10,000)
Other (payments)/receipts for investing activities	(1,283)	(272)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	24,719	29,848
Proceeds from short-term and long-term investments	-	10,000
Other receipts from investing activities	106,662	142,221
Net cash flows from investing activities	**(129,708)**	**(76,510)**

Other receipts from investing activities include capital grants received in year of £105.4 million.

37 Cash Flow Statement - Financing Activities

	2025/26 £'000	2024/25 £'000
Cash receipts of short- and long-term borrowing	282,008	362,002
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(8,000)	(9,588)
Repayments of short- and long-term borrowing	(212,075)	(252,720)
Council tax and NNDR adjustments	(5,447)	1,463
Net cash flows from financing activities	**56,487**	**101,157**

Other Notes

38 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.

Some Members or members of their close families, have an interest in voluntary organisations and community groups awarded grants by the Council. Both Council members and Executive Directors have been asked to provide information regarding related party transactions. From the information received, it is believed that there have not been any significant transactions involving Executive Directors during the year, however one member has disclosed that a close family member is a director of company which has a contract with the Council. The total value of the payment for these contracts during 2025/26 was £16,690 to Therapy Space Bristol Ltd.

Another member has also disclosed that a close family member was in receipt of assisted living services during 2025/26 which were paid for by the Council, these services were worth approximately £115,000.

A member of the Council is a trustee of The Robins Foundation, a registered charity. During 2025/26, the Council made payments totalling approx. £288,000 to the charity in respect of commissioned social care services and grant funding.

The member did not take part in any decisions relating to the funding arrangements. The transaction was conducted at arm's length and in accordance with the Council's standard procedures.

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. It provides the majority of its funding in the form of grants, which are disclosed in Note 16.

The Council has interests in a number of companies over which it has significant influence or control as set out below.

<table>
<tr><th>Name</th><th>Nature of Council relationship</th><th>Transactions with the Council</th><th>Nature of transactions</th><th>Balances owed to / (from) the Council as at 31 Mar 2026</th></tr>
<tr><td rowspan="2">Bristol Holdings Limited</td><td>100% subsidiary</td><td rowspan="2">£41k recharges from BCC and nil recharges to BCC.</td><td rowspan="2">Recharges</td><td rowspan="2">£392.4k preference share interest owed to BCC.</td></tr>
<tr><td>The City Council has one Director post on the Board.</td></tr>
<tr><td rowspan="2">Bristol Waste Company</td><td>100% subsidiary of Bristol Holding Limited</td><td rowspan="2">£59.2m payments by Council to company. £1.8m recharges from Company to Council.</td><td>Contract for waste collection and recycling services.</td><td rowspan="2">£4.3m loan from BCC for the acquisition of waste vehicles. £1.5m owed by the Council (net). £6.4m concession contract.</td></tr>
<tr><td>The City Council has one Director post on the Board.</td><td>Recharges</td></tr>
</table>

Name	Nature of Council relationship	Transactions with the Council	Nature of transactions	Balances owed to / (from) the Council as at 31 Mar 2026
Goram Homes Ltd	100% subsidiary of Bristol Holdings Limited. The City Council has one Director post on the Board.	Working capital facility £7.2m and £17.6m loan.	Development of building projects	£17.6m loan
Bristol Energy & Technology Services (Supply) Limited	100% subsidiary of Bristol Holdings Limited The City Council has one Director post on the Board. The company is currently dormant.	None	N/A	Nil
Bristol is Open Limited	100% owned subsidiary The City Council has one Director posts on the Board. The company is currently dormant.	None	N/A	Nil
Bristol Local Education Partnership (LEP) Ltd	BCC holding 10%, Building Schools for the Future Investments (Bristol) Ltd 10% and ICC Bristol Infrastructure Ltd 80%. The Council has one director post on the board filled by the Director of Finance.	None	Provision of ICT and construction services to schools in Bristol.	Nil
Bristol Temple Quarter LLP	Joint Venture with WECA, and Homes England for the regeneration of Bristol Temple Quarter The Council appoints one representative to the board, which represents BCC as a member of the limited liability partnership.	Investment of £20 by Bristol City Council into the partnership.	Investment into the business to support the regeneration of Bristol Temple Quarter.	Nil
City Leap Ltd	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
City Leap Bristol Ltd	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
Bristol City Leap Ltd	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
	100% owned subsidiary.	None	N/A	Nil

Name	Nature of Council relationship	Transactions with the Council	Nature of transactions	Balances owed to / (from) the Council as at 31 Mar 2026
City Leap Energy Partnership Limited	The Council has one director post on the board. The Company is currently dormant.			
Bristol Infrastructure Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
Energy Service Bristol Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
City Leap Energy Partnership Limited	Joint Venture with Ameresco Inc for the delivery of services under the City Leap concession agreement. The Council has two directors on the Board	None	Joint venture company for the provision of services relating to energy infrastructure projects and investment within Bristol as part of the City Leap project.	Nil

West of England Partnership

Four unitary authorities - Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council - continue to work together and co-ordinate high level planning to improve the quality of life of their residents and provide for a growing population. This joint work focuses on activities that are better planned at the West of England level, rather than at the level of the individual Council areas.

The partnership is not a partnership in law, nor a formal decision-making body, and does not have the power to bind the four unitaries. The partnership's activity is integrated into the West of England Local Enterprise Partnership (LEP), which promotes economic growth and prosperity through its key themes of Place, People and Business.

39 Transfer of Functions

As part of the West of England devolution deal, South Gloucestershire, Bristol and Bath & North East Somerset Councils agreed to the establishment of the West of England Combined Authority to support economic growth and development across the region. Under the devolution deal certain functions were transferred from the constituent authorities to the WECA from 1 April 2018. These included concessionary fares, community transport, key route network development and bus service information. WECA has commissioned South Gloucestershire Council to provide concessionary fares on its behalf since 2019/20.

WECA levies the constituent authorities for the cost of the services for which it is now responsible. This is shown under Other Operating Expenditure. The value of the levy in 2025/26 is £10.350 million (2024/25 £10.235m). There has been no change to the Council's assets or liabilities arising from the transfer of functions to WECA.

40 Contingent Assets and Liabilities

Contingent Assets

The Council has a cumulative Dedicated Schools Grant (DSG) deficit of £85.420m as at 31 March 2026, recognised in an unusable reserve in accordance with the statutory override (see Note 15).
The Government has announced a High Needs Stability Grant to support local authorities in addressing DSG deficits. The amount of grant payable is expected to be calculated with reference to the DSG deficit position as at 31 March 2026, subject to the exclusion of ineligible expenditure and other adjustments. The funding will be paid in 2026/27 and is subject to conditions, including the development and approval of a Local Special Educational Needs and Disabilities (SEND) reform plan and compliance with grant conditions. As at 31 March 2026, the Council considers that receipt of this funding is probable but not virtually certain, due to the outstanding conditions attached to the grant. Accordingly, no income or debtor has been recognised in the 2025/26 Statement of Accounts.

Based on the Council's DSG deficit position at 31 March 2026, the potential value of the grant is expected to be approximately £65m to £80m, subject to confirmation by the Department for Education. The final allocation will depend on detailed assessment of the Council's DSG deficit, including adjustments for ineligible expenditure and the treatment of prior Safety Valve funding and local contributions.

Contingent Liabilities

The prospective Bristol Arena operator challenged the Council's termination of the Agreement for Lease in respect of the Arena on Temple Island in respect of loss of profits, or costs, over the life of the potential lease. As at 31 March 2026, no claim has been received and there has been no communication for some time.

Thurrock Council has taken legal action against 23 councils, including Bristol City Council, who are members of the Association for Public Service Excellence (Apse) to recover funds lost in solar farm investments. Proceedings are currently at a very early stage, and as such, it is impossible to currently determine the financial impact, if any, on the Council.

Equal Pay Disclosure

These claims are being considered on a case-by case basis and are subject to legal process. It is not possible to estimate the financial impact (if any) of these claims, and therefore no provision has been made in the accounts. The Council will continue to monitor developments closely.

We have received a letter before claim in respect of a claim for damages from the Holiday Inn. This relates to the time when Barton Hill residents were accommodated there on a temporary basis following evacuation of the building. As at 31 March 2026, no formal claim has been received.

Supplementary Accounting Statements

Housing Revenue Account

HRA Income and Expenditure Statement

The HRA reflects a statutory obligation to account separately for Council housing provision. The HRA Income and Expenditure Statement shows the major elements of HRA expenditure and how they are met from rents, service charges and other income. The account does not reflect all of the transactions required by statute to be charged or credited to the HRA for the year. The movement on the HRA Statement gives details of the additional transactions, which are required by statute.

	Note	2025/26 Net £'000	2024/25 Net £'000
Expenditure			
Repairs and maintenance		42,222	45,044
Supervision and management		45,155	47,932
Special services		12,096	12,506
Rent, rates, taxes and other charges		546	898
Depreciation and impairment of non-current assets	**4**	37,161	36,165
Debt management		82	110
Debt write offs and movement in the allowance for bad debts		1,786	2,192
Total expenditure		**139,048**	**144,847**
Income			
Dwelling rents	**2**	(139,869)	(134,785)
Non-dwelling rents		(1,123)	(973)
Charges for services and facilities		(15,033)	(12,273)
Contributions towards expenditure		(322)	(290)
Total income		**(156,347)**	**(148,321)**
Net cost of HRA services as included in the Comprehensive Income and Expenditure Statement		**(17,298)**	**(3,474)**
Net cost of HRA services		(17,298)	(3,474)
(Gain) on sale of HRA non-current assets		(5,944)	(11,248)
Movement in the Fair Value of Investment Properties		(421)	1,080
Interest payable and similar charges		12,784	11,251
HRA interest and investment income		(2,520)	(2,826)
Pensions interest costs and expected return on assets	**5**	524	1,233
Capital Grants and Contributions Receivable		(8,807)	(41,580)
(Surplus) for the year on HRA services		**(21,683)**	**(45,564)**

Statement of movement on the HRA Balance

	Note	31 March 2026 Net £'000	31 March 2025 Net £'000
HRA balance brought forward		(44,997)	(72,129)
(Surplus) for the year on the HRA Income and Expenditure Account		(21,683)	(45,564)
Adjustments between accounting basis and funding basis under statute		22,877	72,696
(Increase) before reserve transfers		**1,193**	**27,132**
Transfer from/to reserves		**-**	-
Net (increase) on HRA balance		**1,193**	**27,132**
HRA balance carried forward		**(43,804)**	**(44,997)**

Note to the statement of movement on the HRA Balance

	Note	31 March 2026 Net £'000	31 March 2025 Net £'000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year		0	
Depreciation and impairment of property, plant & equipment	4	(36,252)	(35,619)
Amortisation of Intangible Fixed Assets	4	(909)	(546)
Fair value movements on investment properties		421	(1,080)
Net charges made for retirement benefits in accordance with IAS19	5	(4,147)	(6,115)
Net gain/(loss) on disposal of assets		5,944	11,248
Capital Grants and Other Contributions	6	8,807	41,580
		(26,135)	**9,467**
Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year			
Capital expenditure funded by the HRA	6	6,370	20,846
Employer's contributions payable to the Avon Pension Fund and retirement benefits payable direct to pensioners	5	6,901	6,355
HRA depreciation to Major Repairs Reserve	8	35,741	36,028
Amortisation of premiums			
		49,012	**63,229**
Net additional amount required by statute to be debited or credited to the HRA Balance for the year		**22,877**	**72,696**

Notes to the Housing Revenue Account

1 Dwelling numbers as at 31 March 2026

	31 March 2026	31 March 2025
Houses	11,174	11,152
Bungalows	1,072	1,077
Flats	14,538	14,527
Total Dwellings held at 31 March	**26,784**	**26,756**

2 Rent and Rent Arrears

The total value of dwelling rents in 2025/26, less rent attributable to empty properties (voids), is £139.9 million (£134.8m in 2024/25). The amount of rent arrears, including recoverable housing benefit, water charges, defect charges, etc are:

	31 March 2026 £'000	31 March 2025 £'000
Former tenants	3,276	4,298
Current tenants	18,485	12,389
	21,760	**16,687**
Balance Sheet Provision		
Former tenants	4,115	3,642
Current tenants	9,134	8,544
	13,250	**12,186**

Vacant Possession

The vacant possession value of dwellings as at 1st April 2026 was £5.71billion. The value of dwellings in the balance sheet (excluding dwellings leased to Registered Social Landlords) was £2.00 billion, a difference of £3.71 billion. This difference reflects the economic cost of providing Council housing at less than market rent. This cost is determined by applying the Government prescribed discount rate of 35% of the Market Value to the vacant possession value.

3 Sums Directed by the Secretary of State to be Debited or Credited to the HRA

In 2025/26 there were no sums approved by the Secretary of State to be debited to the HRA in relation to the transfer of rent rebates from the HRA to the General Fund.

4 Depreciation, Revaluation losses and Impairment

	2025/26 £'000	2024/25 £'000
Depreciation		
Operational Assets - Dwellings	34,882	35,156
- Other, including leased	859	872
	35,741	**36,028**
Intangible Fixed Assets	909	546
Total depreciation	**36,650**	**36,574**
Revaluation (gain) losses	511	(409)
Total depreciation, Revaluation losses and impairment	**37,161**	**36,165**

There was a surplus on revaluation of £0.4m charged to the surplus on provision of Services (2024/25: £1.1m surplus).

5 HRA Share of Contributions to/from Pension Reserve

For 2025/26 the HRA has been attributed with a share of the interest cost, net of the expected return on pension assets, as calculated by the actuary to the pension fund £0.5m (2024/25 £1.2m). This share has been calculated using the proportion of HRA pensionable pay to the total of that for the Council. The net cost of services shown in the HRA statement also includes the current service cost as required by IAS19 of £4.1m (2024/25 (£6.1m)). This is excluded from the HRA Balance for the year and replaced with Employers Contributions payable £6.9m (2024/25 (£6.4m)) with the net movement on the Pension reserves of £6.0m (2024/25 £0.2m). Further information regarding the accounting for pensions is included in the notes to the consolidated revenue account and balance sheet, see Note 34.

6 Capital Expenditure and Financing

Total expenditure during the year and its financing was as follows:

Expenditure	2025/26 £'000	2024/25 £'000
Dwellings	63,054	69,813
Other Assets	62,725	69,734
	125,780	**139,547**
Financing		
Usable capital receipts	14,361	40,744
Revenue contributions to capital	6,370	20,846
Major Repairs Reserve	35,741	36,377
Other	69,307	41,580
	125,780	**139,547**

7 Capital Receipts

Capital receipts received during the year from disposals of land, houses and other property within the HRA was £18.1 million (£16.7m in 2024/25). The receipts are summarised as follows:

	2025/26 £'000	2024/25 £'000
Receipts unapplied brought forward - 1 April	14,071	38,165
Right to Buy sales	17,069	9,613
Disposal of Land and Buildings	1,002	394
Balance Sheet Reclassification	-	6,642
	32,142	**54,814**
Allowable reductions		
Capital receipts applied	(14,361)	(40,744)
Capital receipts unapplied carried forward - 31 March	**(14,361)**	**(40,744)**

8 Major Repairs Reserve

	2025/26 £'000	2024/25 £'000
Balance brought forward - 1 April	**(10,000)**	**(10,349)**
Capital expenditure (dwellings)	35,741	36,377
Major Repairs Allowance set aside in year	(35,741)	(36,028)
Balance carried forward - 31 March	**(10,000)**	**(10,000)**

Depreciation has been calculated in accordance with our accounting policies for all HRA assets. We have used the Keystone component accounting information for Dwelling as a proxy for component accounting and Corporate Asset Management system for Non-Dwelling.
The MRA during the year was £35.7 million for 2025/26 (2024/25 - £36.0m). £35.7 million was used to finance appropriate Housing Revenue Account capital expenditure.

9 Balance Sheet Value of Land and Houses, etc.

	2025/26 £'000	2024/25 £'000
Dwellings	1,999,167	2,029,619
Land	41,853	47,601
Other assets	110,416	91,024
	2,151,436	**2,168,244**

10 Asset Split

	2025/26 £'000	2024/25 £'000
Operational - dwellings	1,999,167	2,029,619
Operational - other land and buildings	145,981	131,993
Non-operational	6,288	6,632
Intangible	4,187	3,578
	2,155,623	**2,171,822**

Collection Fund

31 March 2025 Business Rates £'000	31 March 2025 Council Tax £'000	31 March 2025 Total £'000		31 March 2026 Business Rates £'000	31 March 2026 Council Tax £'000	31 March 2026 Total £'000
			Income			
-	334,357	334,357	Council Tax	-	357,856	357,856
233,954	-	233,954	Non-Domestic Rates	248,263	-	248,263
4,864	-	4,864	Transitional Protection Payment	1,123	-	1,123
		-	**Contributions towards previous years**	-	-	-
		-	**Collection Fund Deficit:**	-	-	-
(7,303)	(712)	(8,015)	Bristol City Council	(821)	(3,055)	(3,876)
-	(94)	(94)	Avon & Somerset Police and Crime Commissioner	-	(407)	(407)
(78)	(29)	(107)	Avon Fire Authority	(9)	(124)	(133)
(388)	-	(388)	West of England Combined Authority	(44)	-	(44)
231,049	**333,522**	**564,571**		**248,512**	**354,270**	**602,782**
			Expenditure			
			Apportionment of Previous Years Surplus			
-	-	-	**Central** Government	-	-	-
-	**-**	**-**		**-**	**-**	**-**
			Precepts, Demands and Shares			
210,023	282,398	492,421	Bristol City Council	215,503	299,257	514,760
		-	Avon & Somerset Police and Crime	-	-	-
-	37,623	37,623	Commissioner	-	39,878	39,878
2,234	11,512	13,746	Avon Fire Authority	2,293	12,299	14,592
11,171	-	11,171	West of England Combined Authority	11,463	-	11,463
223,428	**331,533**	**554,961**		**229,259**	**351,434**	**580,693**
			Charges to the Collection Fund			
2,944	4,056	7,000	Write offs of uncollectable amounts	2,771	3,677	6,448
(1,748)	1,163	(585)	Increase/(Decrease) in bad debt provision	1,393	3,469	4,863
701	-	701	Cost of Collection Allowance	696	-	696
18,501	-	18,501	Disregarded amounts	19,573	-	19,573
(586)	-	(586)	Increase/(Decrease) in provision for appeals	(226)	-	(226)
19,812	**5,219**	**25,031**		**24,208**	**7,146**	**31,354**
(12,191)	**(3,230)**	**(15,421)**	**Surplus/ (Deficit) for the year**	**(4,955)**	**(4,310)**	**(9,265)**
4,960	**4,322**	**9,282**	**Surplus/ (Deficit) as at 1 April**	**(7,231)**	**1,092**	**(6,139)**
(7,231)	**1,092**	**(6,139)**	**Surplus/ (Deficit) as at 31 March**	**(12,186)**	**(3,218)**	**(15,404)**

Notes to the Collection Fund Income and Expenditure Account

1 General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates. Only the elements attributable to the City Council are recognised with the Council's other accounts.

2 Council tax

Council tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands based upon 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the City Council, the Avon and Somerset Police and Crime Commissioner and the Avon Fire Authority for the forthcoming year and dividing this by the council tax base of 136.009 for 2025/26 (134.752 for 2024/25). This represents the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts and the estimated collection rate. This basic amount of council tax for a Band D property of £2,583.89 for 2025/26 (£2,460.32 for 2024/25) is multiplied by the proportion specified for the particular band to give an individual amount due.

Calculation of the council tax Base used in setting the 2025/26 council tax

BANDS

	A Entitled to Disabled Relief	A	B	C	D	E	F	G	H	Total
No of Properties	*-*	*56,679*	*76,242*	*41,150*	*19,844*	*10,027*	*4,938*	*2,889*	*356*	***212,125***
Exemptions and disabled relief	- 38	- 4,204	- 1,711	- 1,535	- 1,375	- 1,132	- 193	- 52	*10*	***-10,230***
Less Discounts	*70*	*-5,752*	*-5,724*	*-2,793*	*-1,156*	*-516.75*	*-218.75*	*-117.25*	*-64.75*	***-16,272***
Total Equivalent Dwellings	*32*	*46,723*	*68,807*	*36,822*	*17,313*	*8,378*	*4,526*	*2,720*	*301*	***185,622***
Ratio	*5/9*	*6/9*	*7/9*	*8/9*	*1*	*11/9*	*13/9*	*15/9*	*18/9*	
Band D Equivalents	*18*	*31149*	*53517*	*32730*	*17313*	*10240*	*6538*	*4533*	*603*	***156,640***
Add Changes re: Additional Properties										**1,338**
Additional Exemptions										**-1,055**
Council Tax Support										**-18,138**
Rate of Collection 98%										**-2,776**
Council Tax Base										**136009**

3 Collection Fund balance sheet items have been apportioned as shown in the table below.

Council Tax	Total	Bristol City Council	Police & Crime Commissioner	Avon Fire Authority
	£'000	**£'000**	**£'000**	**£'000**
Debtors	**57,450**	49,007	6,504	1,939
Bad debt allowance	**(37,938)**	(32,362)	(4,295)	(1,281)
Prepayments and overpayments	**(7,947)**	(6,779)	(900)	(268)
Surplus/ (Deficit) at 31 March	**3,219**	**2,746**	**364**	**109**

Business Rates	Total	Bristol City Council	West of England Combined Authority	Avon Fire Authority	Central Government
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Debtors	**17,225**	16,192	861	172	-
Bad debt allowance	**(8,287)**	(7,790)	(414)	(83)	-
Prepayments and overpayments	**(9,803)**	(9,215)	(490)	(98)	-
Appeals provision	**(23,085)**	(21,700)	(1,154)	(231)	-
Surplus/ (Deficit) at 31 March	**12,186**	**11,455**	**609**	**122**	**-**

4 National Non-Domestic Rates (NNDR)

The Council collects NNDR for its area based on rateable values as determined by the Valuation Office Agency and reviewed on a 5 yearly basis. The last revaluation date was on 1 April 2022, with valuations being effective from this date. The next revaluation will take effect from 1 April 2026.

Each year the Government specifies an amount known as the non-domestic rating multiplier and (subject to the effects of transitional arrangements) local businesses pay rates calculated by multiplying their rateable value by that multiplier. A second multiplier known as the small business non-domestic rating multiplier was introduced from 1 April 2005 and this multiplier is applicable to those businesses that qualify for small business relief.

In 2025/26 the non-domestic rating multiplier was 55.5p (54.6p in 2024/25) and the small business non-domestic rating multiplier was 49.9p (49.9p in 2024/25).

As part of the governments West of England devolution deal Bristol, Bath and North East Somerset and South Gloucestershire Councils agreed to the establishment of the West of England Combined Authority (WECA) to support economic growth and development across the region. This also enabled the three Council's to take part in a 100% business rates retention pilot. As a result, Bristol City Council is now responsible not only for collection of rates due from the ratepayers in its area but also for redistribution of the sums paid according to the following percentages: Bristol City Council: 94%, West of England Combined Authority 5% and Avon Fire Authority: 1%.
The NNDR income after reliefs and provisions was £244.324 million for 2025/26 (£233.343 for 2024/25). The total rateable value at 31 March 2026 was £595.845 million (£598.935m at 31 March 2025).

5 City Region Deal Growth Disregard

From 2015/16, the Council is allowed to retain 100% of the growth in Business Rates in its Enterprise area and Enterprise Zone. The growth is transferred to the Council's General Fund before being pooled with other participating authorities

City Region Deal

Background

Under the City Region Deal, Bristol City, Bath & North East Somerset, North Somerset and South Gloucestershire Councils ("the Authorities") are part of a Business Rates Retention Scheme, introduced by the Government in April 2013, allowing Authorities to retain a proportion of the business rates collected locally. The Authorities are allowed to retain 100% of the growth in business rates raised in the City Regions network of Enterprise Areas over a 25-year period ending on 31 March 2039 to create an Economic Development Fund for the West of England and to manage local demographic and service pressures arising from economic growth.

A 'baseline' level of rates for each Authority has been agreed with the government for the areas designated within the Non-Domestic Rating (Designated Areas) Regulations 2015. Rates collected up to this figure (the baseline) are subject to the national rates retention system. Rates collected in excess of this figure (the 'growth figure') are retained by the Authorities under the Non-Domestic Rates Designated Area Regulations 2013 and 2014 in a pooling arrangement. The governance of the distribution of retained pooled funds will occur through a Business Rates Pooling Board constituted under the Business Rates Pooling Principles Agreement (BRPPA) signed by the four Authorities.

Transactions

Each participating Council pays an annual growth figure to South Gloucestershire Council, as the Accountable Body for the BRP, representing business rates collected in the Enterprise Areas in excess of an agreed baseline figure. Retained funds will be distributed or invested annually in accordance with the 2014 Regulations and the BRPPA as:

- Tier 1: to ensure that no individual Council is any worse off than it would have been under the national local government finance system,
- Tier 2: to an Economic Development Fund (EDF) for reinvestment within the designated areas through approved programmes,
- Tier 3: for the relief of demographic and service pressures associated with growth.

Cash receivable and disbursements payable by the BRP and the Council's share of these are reflected under "Cash Transactions" in the table below. Expenditure and revenue recognised in the Council's CIES is also disclosed.

	Business Rates Pool Total	of which the Council's share	Council Expenditure	Council Revenue
	£'000	**£'000**	**£'000**	**£'000**
Funds held by BRP at 1 April	(84,166)	(24,696)	-	-
Receipts into the Pool in-year				
- Growth sums payable by Council's to BRP in year	(54,197)	(19,212)	14,387	-
Distributions out of the Pool in-year				
- Tier 1 no worse off	18,797	8,928	-	(8,736)
- BRP management fee	42	11	-	-
- EDF management fee	73	18	-	-
- Tier 2 EDF funding	11,056	1,889	-	-
-Tier 3 demographic and service pressures	12,304	3,542	-	(3,372)
Funds held by BRP at 31 March	**(96,090)**	**(29,521)**		
Analysed between:				
Uncommitted cash (Tier 2 inc contingency)	(11,149)	(8,011)	n/a	n/a
Committed cash (Tier 3)	(84,940)	(21,510)	n/a	n/a
Expenditure/(Revenue) recognised	**(96,090)**	**(29,521)**	**14,387**	**(12,108)**

As stated under the accounting policies, growth paid over to the BRP is recognised as expenditure by each Council to the extent that the use of the funds by the BRP has been committed. Uncommitted cash is recognised by each Council as a debtor.

The uncommitted cash of £8,011 million contributed by the Council and held by the BRP is recognised by the Council as a debtor and is held in an earmarked reserve to smooth the impact of City Region Deal transactions and match the release of revenue support and charges for projects. The BRP has not made a payment to Bristol City Council on behalf of the EDF in 2025/26 (2024/25: nil)

The Council itself has recognised revenue income of £12.108 million (2024/25 £12.808 m) from the BRP and expenditure of £14,387 million (2024/25 £13.273m) to the BRP for the year.

Group Accounts

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code) 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 aim of the Group Accounts is to provide the reader with an overall view of the material economic activities of the Council.

The Council has interests in a number of companies that are classified as a subsidiary or joint venture, all of which have been considered for consolidation. Three of these, Bristol Holding Limited and Bristol Waste Company Limited and Goram Homes Limited are considered to be material to the financial statements. Details of the companies considered for consolidation are shown below.

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 Bristol Holding Limited, Bristol Waste Company Limited and Goram Homes Limited. Copies of the individual audited accounts are available from Companies House.

The purpose of each of the core statements is explained in the relevant sections of the single entity accounts. No amendments have been necessary to the accounts of the group entities as a result of material differences arising from the variation in accounting policies.

The following pages include:

- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Movement in Reserves Statement
- Group Cash Flow Statement
- Associated Notes to the Accounts where there are significant differences between the Council's single entity accounts and the consolidated Group.

Group Comprehensive Income and Expenditure Account as at 31 March 2026

This statement shows the accounting cost in the year of providing the Group's services in accordance with generally accepted accounting practices.

2024/25				2025/26		
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000		£'000	£'000	£'000
362,262	(159,519)	202,743	Adult & Communities	363,693	(142,351)	221,342
217,906	(71,597)	146,309	Children & Education	215,769	(73,530)	142,238
198,032	(137,386)	60,646	Resources	168,485	(111,958)	56,527
212,476	(120,253)	92,223	Growth & Regeneration	219,632	(127,155)	92,476
67,208	(33,525)	33,683	Housing	63,336	(40,664)	22,672
144,848	(148,323)	(3,475)	Housing Revenue Account	139,048	(156,347)	(17,298)
281,927	(252,407)	29,520	Dedicated Schools Grant	322,913	(278,352)	44,561
16,420	(93)	16,327	Corporate Funding & Expenditure	17,716	1,362	19,078
1,501,079	**(923,103)**	**577,976**	**Cost of services (Note G2)**	**1,510,592**	**(928,995)**	**581,597**
		15,403	Other operating expenditure			18,828
		644	Financing and investment income and expenditure (Note G3)			8,821
		(628,050)	Taxation and non-specific grant income			(672,439)
		(34,027)	**(Surplus)Deficit on provision of services**			**(63,193)**
		(124,622)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			73,925
		(133,231)	Remeasurement of the net defined benefit liability/asset			(26,680)
		-	Surplus/deficit on financial assets measured at fair value			
		(257,853)	**Other comprehensive (income) and expenditure**			**47,245**
		(291,880)	**Total comprehensive (income) and expenditure**			**(15,948)**

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the group, analysed into usable reserves and other reserves.

	Notes	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account Earmarked Reserves	Sub Total - Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council Share of Subsidiaries	Total Group Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024		24,571	168,424	(2,529)	190,466	71,298	831	72,129	63,901	10,349	14,571	351,415	2,417,288	2,768,704	(205)	2,768,499
Adjustment to Opening Balance: IFRS 16 Lease Transition													10,584	**10,584**	**-**	**10,584**
Movement in Reserves during 2024/25																
Surplus or (deficit) on the provision of services (Restated)		44,340	-	-	**44,340**	45,565	-	**45,565**	-	-	-	**89,905**	-	**89,905**	(55,860)	**34,045**
Other Comprehensive Expenditure and Income (Restated)					**-**			**-**				**-**	256,556	**256,556**	973	**257,529**
Adjustments between group accounts and authority accounts		(55,590)			**(55,590)**			**-**				**(55,590)**	-	**(55,590)**	55,590	**-**
Total Comprehensive Expenditure and Income		**(11,250)**	**-**	**-**	**(11,250)**	**45,565**	**-**	**45,565**	**-**	**-**	**-**	**34,315**	**256,556**	**290,871**	**703**	**291,574**
Adjustments between accounting basis and funding basis under regulations	17	4,937	-	-	**4,937**	(69,607)	-	**(69,607)**	(26,178)	(349)	1,443	**(89,753)**	89,754	**0**		**-**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**(6,313)**	**-**	**-**	**(6,313)**	**(24,042)**	**-**	**(24,042)**	**(26,178)**	**(349)**	**1,443**	**(55,438)**	**346,310**	**290,871**	**703**	**291,574**
Transfers to/(from) Earmarked Reserves	18	19,545	(14,378)	(2,070)	**3,097**	(2,992)	(97)	**(3,089)**	(9)	-	-	**(1)**	1	**-**		**-**
Increase/(Decrease) in 2024/25		**13,232**	**(14,378)**	**(2,070)**	**(3,216)**	**(27,034)**	**(97)**	**(27,131)**	**(26,187)**	**(349)**	**1,443**	**(55,439)**	**346,311**	**290,871**	**703**	**291,574**
Balance at 31 March 2025 Carried Forward		**37,802**	**154,046**	**(4,599)**	**187,248**	**44,265**	**734**	**44,999**	**37,715**	**10,001**	**16,014**	**295,976**	**2,763,599**	**3,059,575**	**498**	**3,070,656**
Movement in Reserves during 2025/26	0	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus or (deficit) on the provision of services	0	110,933	-	-	**110,933**	21,683	-	**21,683**	-	-	-	**132,617**	-	**132,617**	(69,424)	**63,193**
Other Comprehensive Expenditure and Income	0	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(47,245)	**(47,245)**	-	**(47,245)**
Adjustments between group accounts and authority accounts	0	(68,197)	**-**	**-**	**(68,197)**	**-**	**-**	**-**	**-**	**-**	**-**	**(68,197)**	-	**(68,197)**	68,197	**-**
Total Comprehensive Expenditure and Income	0	**42,736**	**-**	**-**	**42,736**	**21,683**	**-**	**21,683**	**-**	**-**	**-**	**64,420**	**(47,245)**	**17,175**	**(1,227)**	**15,948**
Adjustments between accounting basis and funding basis under regulations	**17**	(23,649)	-	-	**(23,649)**	(22,877)	-	**(22,877)**	3,604	-	3,103	**(39,819)**	39,819	**-**	-	**-**
Net Increase/(Decrease) before Transfers to Earmarked Reserves	0	**19,087**	**-**	**-**	**19,087**	**(1,193)**	**-**	**(1,193)**	**3,604**	**-**	**3,103**	**24,601**	**(7,426)**	**17,175**	**(1,227)**	**15,948**
Transfers to/(from) Earmarked Reserves	**18**	(15,954)	15,672	(618)	**(900)**	634	(634)	**0**	900	**-**	**-**	**0**	-	**0**	-	**0**
Increase/(Decrease) in 2025/26	0	**3,133**	**15,672**	**(618)**	**18,187**	**(559)**	**(634)**	**(1,193)**	**4,504**	**-**	**3,103**	**24,601**	(7,426)	**17,175**	(1,227)	**15,948**
Balance at 31 March 2026 Carried Forward	0	**40,935**	**169,718**	**(5,217)**	**205,435**	**43,705**	**100**	**43,805**	**42,219**	**10,001**	**19,116**	**320,576**	**2,756,173**	**3,076,750**	**(729)**	**3,086,604**

Group Consolidated Balance Sheet as at 31 March 2026

31 March 2025 Restated		Note	31 March 2026
£'000			£'000
3,271,390	Property, Plant & Equipment		3,324,350
43,118	Right of Use Assets		45,250
219,256	Heritage Assets		233,882
6,061	Intangible Assets		4,702
339,602	Investment Property		342,184
49,019	Long Term Investments	G11	52,556
50,052	Long Term Debtors	G4	47,349
3,978,498	**Long Term Assets**		**4,050,273**
-	Short Term Investments	G11	-
4,733	Inventories		5,558
232,579	Short Term Debtors	G4	292,603
60,473	Cash and Cash Equivalents		59,847
509	Assets held for sale		426
298,294	**Current assets**		**358,435**
(12,051)	Cash and Cash Equivalents		(12,110)
(75,494)	Short Term Borrowing	G11	(285,194)
(210,696)	Short Term Creditors	G5	(307,429)
(12,954)	Provisions		(11,872)
(12,316)	Revenue grants received in advance		(11,392)
(80,043)	Capital grants received in advance		(85,061)
(403,554)	**Current liabilities**		**(713,057)**
(530,487)	Long Term Borrowing	G11	(395,352)
(13,015)	Provisions		(12,540)
(235,594)	Other Long Term Liabilities		(178,364)
(23,483)	Capital Grants Receipts in Advance		(22,792)
(802,579)	**Long term liabilities**		**(609,049)**
3,070,658	**Net assets**		**3,086,602**
(299,237)	Usable Reserves		(322,729)
(2,771,422)	Unusable Reserves	G6	(2,763,874)
(3,070,659)	**Total reserves**		**(3,086,602)**

Group Cash Flow Statement for the year ended 31 March 2026

The cash flow statement shows the changes to cash and cash equivalents of the Group during the reporting period. The statement shows how the group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

2024/25 £'000		Note	2025/26 £'000
34,027	Net surplus on the provision of services		63,193
77,265	Adjustment to net surplus on the provision of services for non-cash movements	G7	134,774
(167,331)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G7	(125,748)
(56,039)	Net cash flows from Operating Activities		72,219
(79,088)	Investing Activities	G8	(131,179)
117,761	Financing Activities	G9	58,276
(17,366)	Net increase (decrease) in Cash and Cash Equivalents		(684)
65,788	Cash and Cash Equivalents at the beginning of the reporting period		48,422
48,422	**Cash and Cash Equivalents at the end of the reporting period**		**47,738**

Notes to the Group Accounts

G1 Accounting Policies

Generally, the accounting policies for the group accounts are the same as those applied to the single entity financial statements, except for the following policies which are specific to the group accounts:

Basis of Identification of the Group Boundary

Group accounts are prepared by aggregating the transactions and balances of the Council and all its material subsidiaries, associates and joint arrangements. In its preparation of these Group Accounts, the Council has considered its relationship with 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.

- Joint Arrangements (Joint Ventures) – where the Council exercises joint control with one or more organisations. Where these are material, they are included in the group.

- Associates – where the Council is an investor and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (stopping short of control or joint control.) It is presumed that holding 20% of the voting power of an investee (either directly or indirectly) brings significant influence but this presumption can be rebutted.

- No group relationship – where the body is not an entity in its own right 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:

Bristol Holding Ltd	Direct Subsidiary	Consolidated
Bristol Waste Company Ltd	Indirect Subsidiary	Consolidated
City Leap Energy Partnership Limited	Joint Venture	Not Material
Bristol Energy and Technology Services (Supply) Ltd	Indirect Subsidiary	Not Material – Dormant company
Local Education Partnership	Joint Venture	Not Material
Bristol Temple Quarter LLP	Joint Venture	Not Material
Bristol is Open Limited	Direct Subsidiary	Not Material
Goram Homes Limited	Indirect Subsidiary	Consolidated

The grounds for exclusion from consolidation of certain entities are not material to the true and fair view of the financial statements or to the understanding of the users.

Basis of Consolidation – Group Accounts

The Group Accounts have been prepared using the group accounts requirements of the Code. Companies or other reporting entities that are under the ultimate control of the Council have been included in the Council's group accounts to the extent that they are material to users of the financial statements in relation to their ability to see the complete economic activities of the Council and its exposure to risk through interests in other entities and participation in their activities.

Subsidiaries have been consolidated on a line-by-line basis, subject to the elimination of intra-group transactions from the statements, in accordance with the Code. Accounting policies have been aligned where applicable.

Bristol Holding Limited

Bristol Holding is a wholly owned subsidiary of the City Council, incorporated on 12 March 2015. The principal activity of the company is that of a holding company and the activities of the group are the provision of waste services, housing development and a gas and electric supply business in the UK with particular focus on residential customers.

On the 13 July 2015 the company acquired Bristol Energy and Technology Services (Supply) Limited for £100,000 and on 31 March 2016, the company acquired Bristol Waste Limited from Bristol City Council.

As at the 31 March 2026 the Council has invested £36,253 million in Bristol Holding Limited. This was made up of £35,650 million ordinary shares and £0.603 million cumulative redeemable preference shares.

Bristol Waste Company Limited

Bristol Waste Company Limited is a wholly owned subsidiary of Bristol Holding Limited. The company was incorporated on 5 March 2015. From the 8 August 2015 the company has been providing waste collection, street cleaning and other maintenance services in Bristol.

Bristol Energy and Technology Services (Supply) Limited (formally Bristol Energy Limited)

Bristol Energy and Technology Services (Supply) Limited is a wholly owned subsidiary of Bristol Holding Limited incorporated on 14 March 2016. The company is currently dormant. On 14 February 2018 a resolution was passed to authorise the Company to change its name to Bristol Energy and Technology Services (Supply) Limited.

Goram Homes Limited

Goram Homes is a wholly owned subsidiary of Bristol Holding Limited incorporated on 1 October 2018. The company aims to increase the provision of new homes in the city and to meet housing requirements without compromising on build quality particularly around the provision of affordable housing, space standards and sustainability.

In September 2021, the Council approved Goram Homes joint venture plans for 268 new homes at Romney House, Lockleaze. The site was transferred during 2021/22 to Goram Homes joint venture in return for £12.9 million of repayable loan notes, with a final repayment date being 2026.

During 2024/25, the Council transferred the freehold of land at Dovercourt Road and New Fosseway Road to Goram Homes in return for £2.934 million and £2.191 million of repayable loan notes, with a final repayment date being 2029.

The loan agreements include interest charges on the principal sums and £24.8 million is currently outstanding (principal plus interest) from Goram Homes.

Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Executive Director of Resources (S151 Officer) on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 30 June 2026, 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 non-adjusting events after the Balance Sheet date.

Group financial position

The Group's overall net assets position as at 31 March 2026 is £3,079.2 million, as shown in the Consolidated Balance Sheet (page 159).

Where there are no material changes to the statements the notes are as per the Council's single entity accounts. Where consolidation has resulted in material changes additional notes are set out below.

G2 Net Cost of Services

The Net cost of Services in the consolidated CIES includes gross income of £8.9 million and gross expenditure of £9.4 million associated outside of the group boundary.

Revenue from Contracts with Customers

Further to a review of this area, the Group can confirm that there is no material contractual revenue income from customers to disclose. There is therefore nothing to disclose in relation to the introduction of IFRS 15-Revenues from Contracts with Customers.

G3 Financing and Investment Income and Expenditure

	31 March 2026 £'000	31 March 2025 £'000
Interest payable and similar charges	45,110	42,543
Changes in the Fair Values of Financial Instruments	(4,290)	117
BHNL Disposal adjustment	4,272	-
Pensions net interest cost	(17,214)	10,210
Interest receivable and similar income	(11,957)	(16,320)
Income and expenditure in relation to Investment Properties	(7,100)	(11,349)
Changes in fair value of Investment Properties	-	(24,556)
Total	**8,821**	**645**

G4 Debtors

Current debtors	31 March 2026 £'000	31 March 2025 £'000
Trade Receivables	19,742	30,881
Prepayments	14,851	12,719
VAT	24,030	15,660
Other	233,980	174,093
Total	**292,603**	**233,353**

Long-term debtors	31 March 2026 £'000	31 March 2025 £'000
Mortgages	190	190
Capital loans	14,847	16,671
Deferred Taxation	1,364	937
South Gloucestershire Council	218	245
Former county Council debt	30,730	32,009
Total	**47,349**	**50,052**

G5 Creditors

Current liabilities	31 March 2026 £'000	31 March 2025 £'000
Trade Payables	26,149	40,100
Other Payables	247,464	151,068
Receipts In Advance	33,816	18,628
Total	**307,429**	**209,796**

G6 Unusable Reserves

	2025/26 £'000	2024/25 £'000
Revaluation Reserve	(1,090,147)	(1,189,656)
Capital Adjustment Account	(1,831,230)	(1,752,341)
Financial Instruments Adjustment Account	6,011	6,188
Deferred Capital Receipt Reserve	(14,578)	(14,578)
Pensions Reserve	55,702	107,532
Collection Fund Adjustment Account	14,201	5,871
Accumulated Absences Account	10,747	9,670
Dedicated Schools Grant Adjustment Account	85,420	55,892
	(2,763,874)	**(2,771,422)**

G7 Cash Flow Statement

The cash flows for operating activities include the following significant items:

	2025/26 £'000	2024/25 £'000
Interest received	(13,081)	11,955
Interest paid	(36,998)	(42,442)
Dividends received	(4,317)	3,438

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

	2025/26 £'000	2024/25 £'000
Depreciation, impairment and downward revaluations	95,161	99,703
Amortisation	2,877	4,023
Increase/(decrease) in impairment for bad debt	(72)	566
(Decrease)/increase in creditors	93,925	(35,687)
(Increase)/decrease in debtors	(55,688)	(5,633)
(Increase)/decrease in inventories	(824)	(669)
Movement in pension liability	(20,508)	16
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	31,655	32,540
Other non-cash items charged to the net surplus or deficit on the provision of services	(11,753)	(17,594)
Net cash flows from non-cash movements	**134,774**	77,265

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

	2025/26 £'000	2024/25 £'000
Any other items for which the cash effects are investing or financing cash flows	(101,029)	(132,930)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(24,719)	(34,401)
	(125,748)	**(167,331)**

G8 Cash Flow Statement - Investing Activities

	2025/26 £'000	2024/25 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(261,277)	(250,885)
Purchase of short-term and long-term investments	-	(10,000)
Other (payments)/receipts for investing activities	(1,283)	(272)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	24,719	29,848
Proceeds from short-term and long-term investments	-	10,000
Other receipts from investing activities	106,662	142,221
Net cash flows from investing activities	**(131,179)**	**(79,088)**

G9 Cash flow Statement - Financing Activities

	2025/26 £'000	2024/25 £'000
Cash receipts of short- and long-term borrowing	282,008	362,002
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(8,000)	(9,588)
Repayments of short and long-term borrowing	(210,286)	(236,116)
Council tax and NNDR adjustments	(5,447)	1,463
Net cash flows from financing activities	**58,276**	**117,761**

G10 Directors Remuneration and Exit Packages

Where a director's annual salary is £50,000 or more, but less than £150,000, remuneration is disclosed by way of job title. For those Directors whose salary is £150,000 or more, their name is also disclosed.

2025/26				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	**Post Term**	**Post Holder**	**Notes**	**£**	**£**	**£**	**£**
Bristol Waste Company							
Managing Director	Apr' 25 – Mar' 26			146,106	119,461	15,094	**280,661**
Finance Director	May' 25 – Mar' 26			105,233	-	10,523	**115,756**
Goram Homes							
Managing Director	Apr' 25 – Mar' 26	S Baker		161,987	-	14,459	**176,446**
Finance Director	Apr' 25 – Mar' 26			95,994	-	9,549	**105,543**
Bristol Holding Company							
Executive Lead & Interim Group Finance Director	Apr' 25 – Mar' 26	C Smith	1	161,025	-	-	**161,025**

Note 1 (Interim) – The amounts disclosed in the table in respect of these posts are the costs incurred by the Company to secure the individuals services on this basis and not the amounts the individuals actually received (which will have been lower).
Note 2 - The table above is presented in a format as prescribed in Schedule 1 of the Accounts and Audit Regulations 2015. This presentation differs from that of the disclosure in the Companies audited accounts as these are prepared in accordance with FRS 102.

2024/25				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	**Post Term**	**Post Holder**	**Notes**	**£**	**£**	**£**	**£**
Bristol Waste Company							
Interim Managing Director	Apr' 24 – Oct' 24			146,813	-	-	**146,813**
Managing Director	Oct' 24 – Mar' 25			77,120	-	-	**77,120**
Finance Director	Jul' 24 – Nov' 24			38,961	-	-	**38,961**
Goram Homes							
Managing Director	Apr' 24 – Mar' 25	S Baker		157,379	-	14,079	**171,458**
Finance Director	Apr' 24 – Mar' 25			94,867	-	9,437	**104,304**
Bristol Holding Company							
Executive Lead & Interim Group Finance Director	Apr' 24 – Mar' 25		1	149,863	-	-	**149,863**

Note 1 (Interim) – The amounts disclosed in the table in respect of these posts are the costs incurred by the Company to secure the individuals services on this basis and not the amounts the individuals actually received (which will have been lower).

Note 2 - The table above is presented in a format as prescribed in Schedule 1 of the Accounts and Audit Regulations 2015. This presentation differs from that of the disclosure in the Companies audited accounts as these are prepared in accordance with FRS 102.

G11 Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments. The value of debtors and creditors reported in the table are those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and associated notes also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

	Long-Term		Current	
	31-Mar 2026 £'000	31-Mar 2025 £'000	**31-Mar 2026 £'000**	31-Mar 2025 £'000
Financial Liabilities at Amortised cost				
Borrowing	(395,352)	(530,488)	(285,194)	(75,494)
Service Concessions	(85,238)	(93,859)	(8,078)	(7,409)
Creditors	(5,334)	(5,855)	(242,052)	(139,724)
Cash & Cash Equivalents	-	-	(10,230)	(12,051)
Total Financial Liabilities	**(485,924)**	**(630,202)**	**(545,554)**	**(234,678)**
Financial Assets at amortised cost				
Investments	-	-	192	219
Debtors*	16,520	17,944	197,388	150,051
Financial Assets at Fair Value through Other Comprehensive Income		-		-
Investment	350	350	-	-
Financial Assets at Fair Value through profit and loss		-		-
Investments & Cash and Cash Equivalents	49,900	47,460	57,775	60,254
Total Financial Assets	**66,770**	**65,754**	**255,355**	**210,524**

Movements

The increase in financial liabilities, circa £167 million relates to (+£75m) a net increase of Loans to support funding of the capital programme and changes in working capital and (-£2m) in our overdraft on our main suite of bank accounts, offset by an increase in the value of general creditors (+£102m) and a decrease in the repayment of PFI Liabilities (-£8m).

The financial assets increased by circa £46m primarily through an increase in current general debtors.

Borrowing

Current borrowing	31-Mar 2026 £'000	31-Mar 2025 £'000
Deposit loans (repayable at notice - up to 7 days)	38	18
Cash & Cash Equivalents -Bank Overdraft	10,230	12,051
- Public Works Loan Board	258,108	74,288
- Banks and other monetary sector	26,841	909
- Energy improvement Loans	167	259
- Local bonds and Stocks	40	21
Total	**295,424**	**87,546**

Non-current borrowing	31-Mar 2026 £'000	31-Mar 2025 £'000
Public Works Loan Board	308,439	445,439
Lender Option Borrower Option (Lobo)	35,000	35,000
Market Debt	51,864	50,000
Stocks	49	49
Total	**395,352**	**530,488**

Income, Expense, Gains or Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are as follows:

Financial Instruments Gains and Losses 2025/26

	Financial Liabilities		Financial Assets		
	Measured at amortised cost	**Amortised Cost**	**Fair Value through the Other CI**	**Fair Value through the P&L**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Interest expense & Impairment Losses	(18,599)	**-**	-	-	**(18,599)**
Total expense in Surplus or Deficit on the Provision of Services	**(18,599)**	**-**	**-**	**-**	**(18,599)**
Interest Income	**-**	(5,959)	-	4,634	**(1,325)**
Fair Value Movement	**-**	-	-	3,684	**3,684**
Dividend Income	-	-	-	4,317	**4,317**
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(18,599)**	**(5,959)**	**-**	**12,635**	**(11,923)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(18,599)**	**(5,959)**	**-**	**12,635**	**(11,923)**

Financial Instruments Gains and Losses 2024/25

	Financial Liabilities	Financial Assets			
	Measured at amortised cost	**Amortised Cost**	**Fair Value through the Other CI**	**Fair Value through the P&L**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Interest expense & Impairment Losses	(45,174)	-	-	-	(45,174)
Total expense in Surplus or Deficit on the Provision of Services	**(45,174)**	**-**	**-**	**-**	**(45,174)**
Interest Income	-	6,806	-	4,832	11,638
Fair Value Movement	-	-	-	(426)	(426)
Dividend Income	-	-	-	3,438	3,438
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(45,174)**	**6,806**	**-**	**7,844**	**(30,524)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(45,174)**	**6,806**	**-**	**7,844**	**(30,524)**

Fair Value of Financial Assets and Property Assets

Some of the Groups' financial assets are measured in the Balance Sheet at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Descriptions	Fair value measurements at 31 March 2026 using:			Fair value measurements at 31 March 2025 using:		
	Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000	Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000
Recurring fair value measurements	-	-	-			
Fair Value through Profit and Loss	-	-	-			
Money Market Funds	50,688	-	-	55,219	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	37,600	-	-	34,000
Other Unquoted private companies	-	-	0	-	-	0
Pooled Property Fund	-	-	13,200	-	-	13,460
Fair Value through Other Comprehensive Income	-	-	-			
Non-traded securities:	-	-	-			
Other unquoted private companies	-	-	350			350
Resonance Temporary Accommodation Property Fund	-	-	-	-	-	-
Resonance Property Fund	-	-	-	-	-	-
Pooled property fund	-	-	-	-	-	-
Total Non-traded securities:	**50,688**	**-**	**51,150**	**55,219**	-	**47,810**
Investment properties	-	342,184	**-**	-	339,602	-
Surplus Properties	**-**	13,249	**-**	**-**	13,067	**-**
Total recurring fair value measurements	**50,688**	**13,249**	**-**	**55,219**	**352,669**	**47,810**
Non-recurring fair value measurements	-	-	-			
Assets held for sale	-	509	**-**	-	509,000	-
Total non-recurring fair value measurements	**-**	**509**	**-**	**-**	**509,000**	**-**

Valuation techniques and Inputs Description of asset	Valuation hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key sensitivities affecting the valuations provided
Money Market Funds	Level 1	Unadjusted quoted prices in active markets for identical shares	Latest quoted prices	
Surplus assets	Level 2	All surplus assets have been valued by RICS qualified valuers to Fair Value less costs to sell, reflecting highest and best use.	Evidence of title, floor area, siting and site conditions, type/age and current use of the property have been taken into account together with general market conditions and advertised value of similar properties currently up for sale.	Not all assets are physically inspected every year. Latent defects, repair and maintenance backlogs, general changes in the market and other impairments could have a significant impact on the values provided.
Investment Properties (further detailed information in note 22)	Level 2	All investment properties have been valued by the Council's in-house valuers (all RICS qualified) on an investment income basis which we are satisfied represents highest and best use overall.	All valued on an investment income basis, using existing lease terms and current yields	Changes to market conditions, lease terms, covenant strength and occupancy levels could all affect the asset valuations provided.
Bristol Port Company	Level 3	This investment has been valued by an external specialist valuation company for financial year ending **31st March 2026** and refreshed by Council officers (Jon Clayton) for this financial year on a similar basis.	Calculations have been based an income approach to valuation, by applying a multiple derived from the market to a maintainable profit figure.	Changes to market conditions (local and global), and the comparable data used within the valuations. If future growth returns are greater or lesser by 1% than the 3% forecast, the fair value will be circa £3.6m higher or lower respectively.
Bristol Holdings	Level 3	This investment has been valued at the Council's share of each company's net assets.	Calculations have been based on their unaudited accounts and adjusted for customer base valuation as at 31 March 2026.	Valuations could be affected by the difference between audited and unaudited accounts
Investments in unquoted companies	Level 3	These investments have been valued at the Council's share of each company.	Calculations have been based on their latest audited accounts	The value of these companies relatively low (£350k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Funds	Level 3	These investments have been valued at the Council's share within the pooled funds.	The valuation for Pooled Property Funds has been based on the latest quarterly financial report (31st December 2026).	Changes to housing market conditions could affect the valuation of the pooled property fund. If the market value of the properties within this fund is greater or lesser than 1% the fair value of the investment will be £108k higher or lower respectively.

Transfers between levels of the fair value hierarchy

There were no transfers between levels 1 and 2 during the year.

Changes in valuation technique

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

Reconciliation of fair value measurements for assets at fair value within level 3

Description	31 March 2026 Non-traded securities £000	31 March 2025 Non-traded securities £000
Opening balance	47,810	48,190
Total gains/(losses) for the period:	**3,684**	**(207)**
included in the surplus/(deficit) on the Provision of Services	3,684	(117)
included in Other Comprehensive Income and Expenditure	-	(90)
	3,684	-
Additions	-	145
Disposals	(1,243)	(319)
Closing balance	**50,251**	**47,810**

Gains and losses included in the surplus / (deficit) on the provision of services for the current year primarily relates to the investments in Bristol Port (£4m), Resonance Property Fund (+£50k), and Resonance Temporary Accommodation Property Fund (-£34k).

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable, prevailing interest rates have been applied to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Financial Liabilities	31 March 2026 Carrying amount	Fair value	31 March 2025 Carrying amount	Fair value
	£000	£000	£000	£000
Cash & Cash Equivalents	10,230	10,230	12,051	12,051
Public Works Loan Board (PWLB)	566,547	503,000	519,726	466,500
Lender Option Borrower Options	35,442	25,800	35,439	27,000
Market Debt	52,313	38,106	50,470	38,200
Service Concessions	93,315	(119,187)	101,268	118,663
Other	31,578	31,578	6,202	6,202
Total Liabilities	**789,424**	**489,526**	**725,156**	**668,616**

The Authority has calculated an exit price of £956m an increase of £62m which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value for financial liabilities and assets has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above; the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

The fair value of the liabilities is lower than the carrying amount because of service concessions; others are lower because the Authority's portfolio of loans includes a number of 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 at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 March 2026 Carrying amount	Fair value	31 March 2025 Carrying amount	Fair value
	£000	£000	£000	£000
Current investments	10,230	10,230	-	-
Cash and Cash Equivalents	(10,038)	(10,038)	219	219
Non-current investments	0	0		-
Non-current Debtors	181,946	181,946	17,944	17,944
Total Financial Assets	**182,138**	**182,138**	**18,163**	**18,163**

The fair value of the assets is the same as the carrying value due to the majority of these assets having a maturity of less than 12 months or is a trade or other receivable where the fair value is taken to be the carrying amount or the billed amount.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value

Descriptions	Fair value measurements at 31 March 2026 using:			Fair value measurements at 31 March 2025 using:		
	Quoted prices in active markets Level 1	Observable inputs Level 2	Unobservable inputs Level 3	Quoted prices in active markets Level 1	Observable inputs Level 2	Unobservable inputs Level 3
	£000	£000	£000	£000	£000	£000
Recurring fair value measurements using:						
Financial Liabilities held at amortised cost						
Cash and Cash Equivalent	-	-	-	-	12,051	-
Public Works Loan Board (PWLB)	-	10,230	-	-	519,726	-
Lender Option Borrower Options	-	566,547	-	-	35,439	-
Market Debt	-	35,442	-	-	50,470	-
Service Concessions	-	52,313	-	-	101,268	-
Other	-	99,746	-	-	6,202	-
Total	**-**	**764,278**	**-**	**-**	**725,156**	**-**
Financial Assets held at amortised cost						
Current investments	-	-	-	-	-	-
Cash and Cash Equivalents	-	10,230	-	-	219	-
Non-current investments	-	(10,038)	-	-	-	-
Non-current Debtors	-	-	-	-	17,944	-
Total	**-**	**192**	**-**	**-**	**18,163**	**-**

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

G12 Nature and Extent of Risks Arising from Financial Instruments

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

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

The Group'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 a central treasury team, under policies approved by the Council in the annual treasury management strategy, and compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code of Practice, and Investment Guidance that is issued under the Local Government Act 2003. The Group 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. These are required to be reported and approved at or before the Council's annual council tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy that outlines the detailed approach to managing risk in relation to the Group's financial instrument exposure. Actual performance is also reported annually to Members.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 25 February 2026 and is available on the Council website.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group'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, in accordance with Fitch, Standard and Poor's and Moody's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

Details of the Investment Strategy can be found on the Council's website. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Short Term of F1, Long Term A-, with the lowest available rating being applied to the criteria;
- UK institutions provided with support from the UK Government.

The Group's maximum exposure to credit risk in relation to its investments in banks and building societies will vary according to credit ratings assigned by the three main credit rating agencies and 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 irrecoverability applies to all of the Group's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise.

Allowance for Credit Losses

The following analysis summarises the Group's potential maximum exposure to credit risk on financial assets valued at amortised cost, based on experience of default and un-collectability over the last five financial years, adjusted to reflect current market conditions.

	Amount	Historical experience of default	Adjustment for market conditions	Estimated maximum exposure to default	Estimated maximum exposure to default
	£000	%	%	£000	£000
	A	B	C	(A*C)	
Current Investments:	**31 March 2026**	**31 March 2026**	**31 March 2026**	**31 March 2026**	**31 March 2025**
Local Authorities	90	0.00%	0.00%	-	-
AAA rated counterparties	84	0.04%	0.04%	0	-
AA rated counterparties	18	0.02%	0.02%	0	-
A rated counterparties	-	0.05%	0.05%	-	-
BBB rated counterparties	-	0.14%	0.14%	-	-
Sub-total	**192**			**0**	**-**
Trade debtors	**192,397**			-	-
Non-current debtors	**26,971**			-	-
Total Financial assets	**219,560**			**0**	**-**

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31 March 2026.

No credit limits were exceeded during the reporting period, and the Group does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Group does not generally allow credit for its trade debtors, including amounts due from government departments and other Local Authorities.

The risk of loss for trade receivables is minimised by a combination of the following:

- Wherever possible obtaining payment in advance of service delivery
- Availability and encouragement to pay by direct debit
- A wide range of payment options available, including by telephone, internet, banks and retail networks (via the Allpay solution i.e. Payzone, Paypoint and Post Offices)
- Having a standardised recovery process including reminder letters and statement of accounts
- Utilising a corporate Debt Management Team to take an ethical debt approach to all types of debt with referral to External Debt Collection agencies or instigating Court claims only used as a last resort
- Negotiating flexible repayment plans for overdue debt where necessary

The write off of a debt is always the last option available and is only taken when all other appropriate measures have been taken to recover payment, and in cases of bankruptcy.

The bad debt provision is calculated by reference to the Group's historic experience with the provision being applied to debts over 60 days old and the value increasing according to the age of the debt.

Debtor analysis	Gross debtor at 31 March 2026 £'000	Allowance for credit losses 31 March 2026 £'000	Net debtor at 31 March 2026 £'000	Net debtor at 31 March 2025 £'000
Local tax payers	65,199	(40,152)	**25,047**	20,966
Housing rents	21,760	(13,250)	**8,510**	4,501
Other - sundry debtors	270,658	(38,317)	**232,341**	182,768
Non Current Debtors				
Total Other Entities and Individuals	**357,617**	**(91,719)**	**265,898**	**208,235**
Central Government bodies	24,000	-	**24,000**	26,339
Other local authorities	1,282	-	**1,282**	1,335
NHS bodies	1,853	-	**1,853**	228
Public corporations and trading funds	-	-	**-**	-
Total debtors	**384,752**	**(91,719)**	**293,033**	**236,137**
Balance sheet debtors	**384,752**	**(91,719)**	**293,033**	**236,137**
Current debtors not qualifying as a financial instrument under IFRS	**(135,797)**	**40,152**	**(95,645)**	(86,086)
Current debtors qualifying as a financial instrument under IFRS	**248,955**	**(51,567)**	**197,388**	**150,051**

The following table analyses the Gross debt that is now past due over varying periods. This overdue debt is covered by a provision for bad debt.

	31 March 2026 £'000	31 March 2025 £'000
Less than three months	30,347	33,311
Three to four months	1,635	1,273
Four months to one year	20,523	16,555
More than one year	54,573	54,703
Total	**107,077**	**105,842**

Liquidity risk

The Group has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Group has ready access to borrowings from the money markets to cover day-to-day cash flow need and the Public Works Loans Board and capital markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, excluding sums due from customers, is as follows:

	31 March 2026 £'000	31 March 2025 £'000
Less than 1 year	255,355	210,524
Between 1 and 2 years	3,045	617
Between 2 and 3 years	1,064	194
More than 3 years	62,661	64,943
Total	**322,125**	**276,278**

The maturity analysis of financial liabilities is as follows:

	31 March 2026 £'000	31 March 2025 £'000
Less than 1 year	550,781	235,086
1 - 2 Years	58,566	172,019
2 - 5 Years	33,082	66,920
5 - 10 Years	52,560	44,367
10+ Years	336,488	346,488
Total	**1,031,477**	**864,880**

Refinancing and Maturity risk

The Group maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Group relates to the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Group's day-to-day cash flow needs and monitoring the spread of longer-term investments provides stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity profile of the Group's debt portfolio along with the Groups' approved minimum and maximum exposure is shown in the table below.

	Approved minimum limits %	Approved maximum limits %	Actual 31 March 2026 £'000	%	Actual 31 March 2025 £'000	%
Less than 1 year	-	40	285,194	42%	75,494	12%
Between 1 and 2 years	-	40	32,000	5%	152,000	25%
Between 2 and 5 years	-	40	6,864	1%	22,000	4%
Between 5 and 10 years	-	50	20,000	3%	10,000	2%
More Than 10 Years	25	100	336,488	49%	346,488	57%
Total			680,545	100%	**605,983**	100%

Included within the maturity profile are £35 million of LOBOS with maturities averaging 31 years. Inherent within these loan instruments are options (averaging an option every 3 years) that could give rise to the debt being repaid early. These loans are regularly reviewed with the current and expected structure of interest rates. The risk of the lenders exercising their options is currently low for the short to medium term. Therefore, the maturity of these loans in above table are currently based on their maturity date, 10 years and over.

Market risk

The Group is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Group. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, 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 the Other Comprehensive Income and Expenditure Statement.

The Group has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Group's expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

At 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2026 £'000
Increase in interest receivable on variable rate investments	1,135
Impact on Surplus or Deficit on the Provision of Services	1,135
Share of overall impact debited to the HRA	617
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)	139,342

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign exchange risk

During 2025/26 the Group received monies denominated in Euro's relating to the receipt of European grant. The Group also made payments in a variety of currencies for the supply of goods and services. Payments and receipts are converted to Sterling at the earliest opportunity.