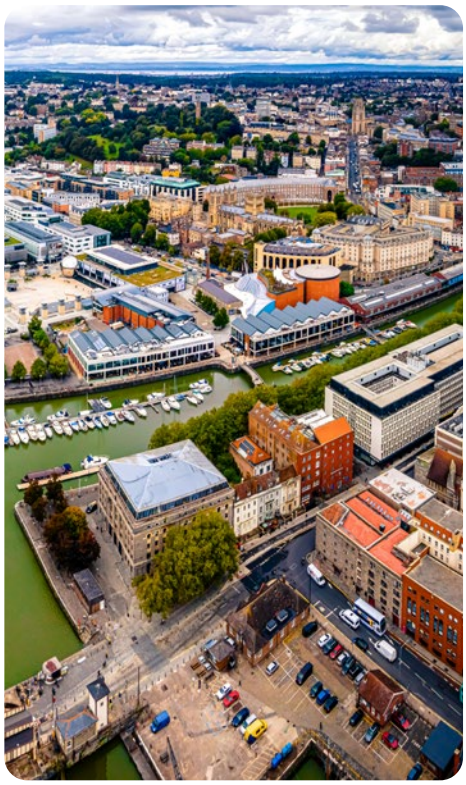












Audited Statement of Accounts

Bristol City Council,
for the year ended
31 March 2024

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 2023/24 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

BRISTOL CITY COUNCIL

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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 2021/22.

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.

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.

Introduction



The 2023/24 financial year has seen the city take several steps towards meeting the ambitions as set out in the Corporate Strategy whilst facing a number of ongoing and emerging challenges.

The national cost of living crisis continues to have an impact in the city and has played a significant role in shaping the council's financial year. The cost of housing and goods continued to rise, alongside this the costs of operating essential services for residents continued to put a financial strain on local government, at a time when demand for the council's services continued to escalate.

Despite these challenges, the council has maintained the support for residents provided through the Council Tax Reduction Scheme, which has helped over 2,900 households with their council tax bills. The Household Support Fund has also given free meals to over 12,000 children during the school holidays, provided over 237,000 food packages to residents, and the council has helped over 7,000 households experiencing crisis through the Local Crisis Prevention Fund.

This past year the council has spent over £1.2 billion on local services and projects aimed at meeting the ambitions of our Corporate Strategy and developed a new Local Plan for Bristol (this was submitted to the Secretary of State for Levelling Up, Housing and Communities on 25 April 2024 for independent examination). The Local Plan, once approved, will ensure that future regeneration and development is sustainable, whilst bringing city-wide benefits. Last year the council delivered over 600 affordable homes. Action has also been taken to decarbonise across all sectors, working towards the goal of becoming a carbon neutral city.

This past year's highlights include:

- Bristol's air is now ten percent cleaner, on average, since the introduction of the Clean Air Zone in November 2022, with recorded levels of nitrogen dioxide falling across the city. Almost nine in ten journeys are now made in compliant vehicles with £8.8 million of funding awarded to Bristol residents and businesses to help upgrade their vehicles.
- The City Leap partnership was given national recognition. The twenty-year joint agreement between Bristol City Council, Ameresco and Vattenfall Heat UK will see nearly £500 million invested in a range of infrastructure projects and will help remove approximately 140,000 tonnes of carbon from the economy. The partnership will now be replicated in other cities, playing a role in helping the UK reach its national net zero targets.
- Publishing a new 15-year Parks and Green Spaces Strategy that sets out a plan for how the council will provide parks that are accessible, inclusive, safe and rich in nature and wildlife. The 100,000th tree was also planted as part of the One Tree Per Child initiative, increasing the city's canopy cover.
- Improving the city's transport infrastructure; £1.4 million was spent on re-designing Bristol Bridge, the Portway Park & Ride station was opened as Bristol's first new train station in almost a century, and a programme of road resurfacing works was carried out to repair 14 major routes.

- Continuing work to upgrade ageing infrastructure along Bristol's New Cut, including £11.9 million investment agreed for the next five years to stabilise the river walls and our rolling £16 million programme to restore six key bridges. Gaol Ferry Bridge and the Chocolate Path were re-opened this year while works also began on Vauxhall Bridge and Sparke Evans Bridge.
- Securing £1.75 million for the refurbishment of flood defences at Underfall Yard to protect the city from the risk of flood. Approval was also granted to progress the Bristol Avon Flood Strategy that will help to protect the 1,300 homes and businesses currently at risk of flooding in Bristol.
- Publishing the outcomes of the Living Rent Commission which looked at issues within the city's private rented sector and found substantial popular support for rent control to make renting more affordable.
- Working to support those at risk of homelessness and those who are rough sleeping by securing more than £2.3 million from the Single Homelessness Accommodation Programme to provide high-quality supported accommodation.
- Achieving accreditation for 250 Real Living Wage employers in Bristol - 44,800 people now work for an accredited employer and 5,500 employees have had their salary uplifted as a result.
- Continuing the City Centre and High Streets recovery programme that has supported local businesses to recover from the COVID-19 pandemic by providing grants, a culture and events programme and face-to-face support.
- Securing an extra £1.9 million for Bristol primary schools to support wraparound care arrangements before and after the school day, helping working families in the city.
- Launching three new Family Hubs to provide a "one-stop-shop" for families and to help young people thrive. Bristol secured £4.8 million to deliver the programme which will make it easier for families to access the support they need.
- Launching the UK's first regular drug checking service in the centre of Bristol. This trailblazing service aims to reduce harm from dependent and high-risk drug-taking and combines personalised health advice with drug testing.

The cost of operating and the increasing demand for the council's services have exacerbated existing financial pressures; innovation and transformation of services has been necessary to ensure that the council remains financially sustainable. Transformation programmes have aimed to deliver services more efficiently in Adult Social Care, Children and Education, Temporary Accommodation and Property. These are essential programmes to place the council on a long-term sustainable footing, while continuing to adapt to and meet citizens' needs.

The council remains committed to building a city in which people can thrive and that is fair and equal for all. In spite of the challenges, the council continues to deliver for communities making progress in transport, housing, climate and ecology, economy, social care, education, and public health.

Despite the challenges the council has a balanced 5-year budget and continues to focus on driving strong financial performance. By forecasting and monitoring the council will continue to navigate current challenges and the financial pressures that they present, to ensure we are delivering financially sustainable services that serve and help to improve the lives of Bristol residents.

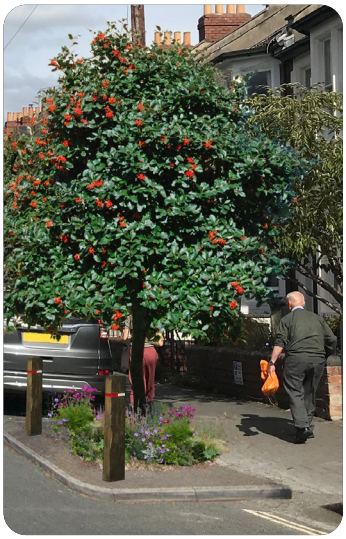
Stephen Peacock

Chief Executive













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 2023/24, 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

Background



Bristol is the largest city in the south west of England, covering an area of 110 square kilometres. It is the 10th largest city in the United Kingdom and one of the 11 Core Cities. It has a population of around 479,000.

Bristol is the largest city in the south west of England, covering an area of 110 square kilometres. It is the 10th largest city in the United Kingdom and one of the 11 Core Cities. It has a population of around 479,000 (Office for National Statistics 2022 Census) and that's currently projected to grow significantly.

As well as being one of the fastest growing cities in the country, Bristol faces a number of challenges that mean the council's services are in more demand than ever. These challenges, alongside the lack of funding for local government and high cost of operating, have driven real financial pressure for the council.

The cost of living crisis has had a prolonged impact on residents and the council's services. The council has worked with advice agencies and voluntary and community organisations to support residents, continuing financial support for low-income families, delivering free school meals for families, and distributing funding to Voluntary, Community and Social Enterprise organisations to drive social action.

Bristol faces significant housing obstacles in terms of access, quality and affordability. Challenges in the housing market affect all of Bristol, from direct impacts of unaffordability and living in damp or overcrowded accommodation, to indirect consequences such as reducing the availability of workers in key sectors. These challenges place greater pressure on council services, particularly temporary accommodation provision and homelessness prevention and relief. The council currently has 22,000 people on its housing register and over 1,500 households in temporary accommodation. Following the evacuation of Barton House, the council spent £5.3 million to house the residents in temporary accommodation while essential remedial works were carried out in the building, allowing for their safe return home.

Bristol continues efforts to deliver new homes and make improvements to existing housing quality across the city. Initiatives like city wide licensing, Bright Green Homes and the Big Housing Conversation are supporting efforts to increase the quality of housing in Bristol. High inflation, the cost of goods and materials, and difficulties in accessing skilled labour are creating additional difficulties in ensuring the maintenance and delivery of new homes. To address this, the council is innovating by using modern methods of construction, exploring different delivery models and working with partners to deliver new supported housing that meet the needs of our city.

The Housing Revenue Account 30-year business plan will invest £1.8 billion over its lifetime, prioritising safety, net-zero and new supply. As part of an ongoing Estate Review, we are assessing the oldest social housing blocks in the city and will continue to work with the Department for Levelling Up, Housing and Communities and Homes England to pursue investment in long term estate regeneration priorities.

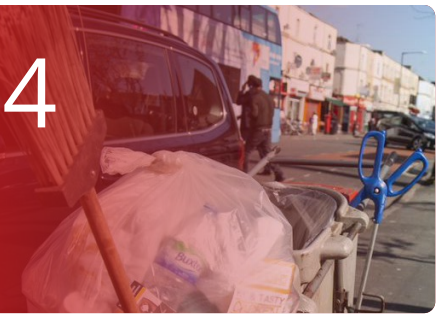
The council joined the Department for Education's (DfE) Safety Valve programme in March 2024 and will receive £53.79 million over a period of seven years to help address our historic Dedicated Schools Grant (DSG) deficit. The DSG High Needs Block which funds services for children and young people with special educational needs and disabilities (SEND). The agreement with the DfE provides an opportunity for Bristol to help improve outcomes for children and young people with SEND, whilst operating in a financially sustainable way. It also means that the council will invest up to £46.5 million as part of the programme.

The council continues to face significant and increasing pressure on our children's services. This has been largely driven by an increase in the number of children and young people being referred to our services and eventually entering care, the complexity of care needs being presented and an increase in the amount of very expensive individual placements. This reflects the picture nationally, with the LGA reporting that the number of placements costing over £10,000 per week had risen from 120 to 1,510 in five years. Councils also face additional costs from higher social worker vacancies and increased statutory responsibilities for safeguarding. The council has responded by investing in its own children's homes capacity, improving support for foster carers and developing the social worker workforce, and continues to work with partners to improve early support for children and families who may be at greatest risk.

This year has sadly seen several fatal incidents in the city, which have resulted in the tragic loss of young lives to knife violence, affecting communities deeply. National funding for the Violence Reduction Unit (VRU) - which aims to identify and prevent those most a risk of becoming involved in violent crime - was reduced in the year 2022-23 to £389,947. However, the council has sought to access alternative funding sources to build sustainable intervention models. This includes supporting Youth Justice Practitioners who provide preventative support for young people; mentoring and sports diversion programmes; mental health community and school workers; and trauma-informed training. Those who experience multiple deprivations are more at risk of becoming involved in violent crime and the council will continue to work with local agencies, community leaders and organisations to tackle the challenge of knife crime and exploitation of vulnerable young people.

Our Services 2023/24

The following core services are provided by the council:



Core Services:

Adults, Children, Education and Public Health:

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

Growth & Regeneration:

- Museums and Culture
- Property
- Economic development
- Energy services
- Library services
- Community Services Parks and open spaces
- Licensing
- Housing and Landlord Services

Resources:

Provides internal support and enabling services including:

- Digital Transformation and ICT
- Finance, Workforce and Change
- Policy Strategy and Communications
- Legal and Democratic Services

Ring-fenced Accounts:

Housing Revenue Account:

- Accounts for the management and maintenance of around 26,666 council homes 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 schools 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. Typically councils like us provide over 700 services, either directly ourselves or by commissioning services from outside organisations.

Our Leadership and Workforce:

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

- **Mayor, Marvin Rees**, elected mayor for Bristol, with city council responsibilities that include ultimate responsibility for all major policy decisions, setting the vision and direction of the council; and making 'executive' decisions within the budget and policy framework set by Full Council.
- **Our workforce** - Overall, our workforce comprises 6,517 'full time equivalent' employees. Of this total, 2,689 are employed within our locally maintained schools.

Our Services 2023/24

- **The One City Plan** - The One City Approach brings together a wide range of public, private, and third sector partners within Bristol. They share an aim to make Bristol a fair, healthy and sustainable city. The One City Plan describes where we want to be by 2050, and how city partners will work together.
- **Governance** - We are responsible for conducting our business in accordance with the law and ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. We are committed to the highest standards of conduct, progressing towards the city's vision with robust controls over the use of resources, intelligent and open decision making, and accountability and transparency.
- We have set out our governance standards in our Code of Corporate Governance, which explains how the vision and values of the organisation are at the heart of the Council's approach to governance. The CIPFA Financial Management code sets the professional standard for good and sustainable financial management to which local authorities must comply.
- Our Annual Governance Statement reviews the extent to which we have met the standards in both codes, and describes the progress made throughout the year in addressing our key governance challenges and areas for further improvement action.

Our Performance



All statistics on the next two pages are the most up to date statistics available at the time of publication

Key facts: Communities & living

74% of residents are satisfied with their local area as a place to live. (2023 Bristol Quality of Life survey) (**75%** 2022/23)

73% felt that people from different backgrounds get on well together in their local area. (**74%** 2022/23)

70% of residents think air quality and traffic pollution is a problem locally (QoL 2023). (**75%** 2022/23)

20% of residents reported below average levels of mental wellbeing (QoL 2023/24). **21%** in 2022/23).

Key facts: Housing

New homes built in Bristol. Data for 2023–24 is not yet published. (**1,599** 2022/23)

604 affordable homes built in Bristol in 2023/24 (**309** 2022/23)

Prevented **1,620** households from becoming homeless during 2023/24. (**1,536** 2022/23)

1,593 households living in Temporary Accommodation (as of end March 2024). (**1,252** at end March 23)

72 people sleeping rough in a single night in Bristol compared with **48** in March 2023. (BCC bi-monthly count - March 2024)

Key facts: Adult Social Care

4,179 adults receiving a community-based social care support during 2023/24. (**3,995** 2022/23)

1,386 18+ Care Home places funded during 2023/24. (**1,420** 2022/23)

Our performance

Key facts: Culture & Creativity

37% participate in cultural activities at least monthly
(**32%** 2022/23)



Key facts: Education

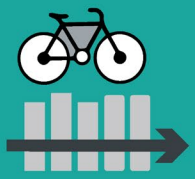
87%



rated as Good or Better for overall effectiveness by OFSTED (March 2024)
(**85%** March 2023)

Key facts: Transport and sustainability

Number of people who ride a bike at least weekly **25%**
(**25%** 2022/23)



37.1m bus journeys



per head of population in 2023/24.
(**32.7m** in 2022/23)



45% of all household waste was sent for reuse, recycling and composting in 2023/24.
(**45%** 2022/23)

31.1kg of waste per household was landfilled in 2023/24.



compared with **39.6kg** in 2022/23

Key facts: Economy & employment

262,100 working age residents were in employment in December 2023.





Gross annual pay

Financial Performance



The council is a large and diverse organisation, and our accounts are by their nature technical and complex. This section of the report provides a high level analysis of our financial performance for 2023/24 and compliments the more detailed financial statements published within the accounts. It shows how our position at the end of the financial year relates to our budget and the key variances.

Revenue Financial Summary 2023/24

Revenue spending relates to the day-to-day running costs required for the council's operations, including direct costs such as staffing and utilities costs and services which are commissioned and delivered on the council's behalf.

Approved Budget

The original revenue budget and council tax was agreed by Council 21st February 2023 with a total net budget for the council services of £483.5 million (£431.1 million in 2022/23) and a gross budget of £1,188 million (£1,091 million in 2022/23). This reflected an increase in council tax for Bristol City Council purposes of 4.99% (2.99% for general purposes and 2% Adult Social Care Precept).

Income from fees and charges and many specific grants are applied directly to services to determine our net budget. Our net revenue budget reflects the total amount of corporate resources available to us and contains costs funded from retained business rates, council tax receipts, other specific and general government grants and use of reserves.

The net revenue budget was increased by £3.9 million due to a net movement of general and ear-marked reserves to the last revised budget of £511.9 million.

The table below shows the budget per directorate for 2023/24.

Financial performance

Service Net Expenditure Summary	Full Year 2023/24 Approved Budget	Revised Budget	Outturn	Projected Outturn Variance
	£000s			
8 - Adult & Communities	172,705	204,579	204,585	6
9 - Children & Education	110,352	134,958	136,901	1,943
2 - Resources	45,061	52,808	52,336	-471
4 - Growth and Regeneration	61,395	43,517	47,968	4,451
Service Net Expenditure	**389,512**	**435,862**	**441,790**	**5,929**
x2 - Levies	11,071	11,538	10,946	-592
x3 - Corporate Expenditure	49,634	9,564	7,078	(2,486)
x4 - Capital Financing	23,866	11,791	11,161	(630)
x6 - Year–end Transactions	-	40,987	40,987	-
x9 - Corporate Allowances	9,440	2,221	-	(2,221)
Total Revenue Net Expenditure	**483,523**	**511,963**	**511,963**	**-**

The budget recognised that there were significant challenges in terms of the financial conditions under which the council operates. The longer-term impact of the pandemic is lingering, the pressures of the cost of living crisis, global supply challenges, labour shortages and exceptional inflationary levels, combined with continuing increases in demand for core services, are all impacting the councils financial position and testing the council's ability, like others across the country, to deliver front line services amid uncertain and unpredictable funding and cost levels.

When the budget was set for 2023/24, 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. A range of newly proposed service efficiencies and income generating options equating to £16.2 million in 2023/24 and plans to deliver a further £14.0 million in future years (both figures underpinned by an overarching savings contingency of £3.7 million as outlined in the Budget Report) were outlined.

EFA Table

Full Year 2023/24

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 (Note 5)	186,016	6,404	-991	0	**191,429**
Children & Education (Note 5)	135,547	-4,609	-5,802	0	**125,137**
Resources	52,336	7,967	-1,499	0	**58,804**
Growth and Regeneration	51,942	85,655	-1,711	0	**135,886**
Housing Revenue Account (Note 4)	24,417	-21,154	-921	0	**2,342**
Dedicated Schools Grant	823	0	-1,409	-2,576	**-3,162**
Corporate Funding and Expenditure	6,719	424	-125	-176	**6,843**
	457,800	74,687	-12,458	-2,752	**517,279**

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**

Note 5: **Formerly Peoples Directorate**

Financial performance

Sources of Core Funding

During 2023/24 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 £294.7 million of business rates of which £214.1 million (net of reliefs) is retained in year by the council. This is also net of the tariff of £92.4 million which the council returns to central government and £12.9 million transferred to the Avon Fire Authority and the West of England Combined Authority.

The Council also collects £313 million of Council Tax (on behalf of Avon and Somerset Police and Crime Commissioner, Avon Fire Authority, and itself), of which £258.8 million is retained in year by the council. During the year the Council received £552.1 million of government grant income which was used to fund revenue expenditure. The council generates £1,056.9 million of fees, charges and grants used to deliver services and keep council tax down.

Reserves

Useable reserves have decreased overall by £32 million. This includes a reduction in the HRA General Reserves of £27 million, primarily used to fund the HRA capital programme. £57 million of the Unapplied Capital Receipts Reserve was drawn down in the year to fund the Capital Programme. There is a net drawdown of £5 million from the General Fund Strategic Reserve, which includes budget approved contribution of £3.9 million General Fund reserves that were part of the approved balanced budget.

Contributions to reserves includes £32 million due to Clean Air Zone operational income. Other increases include £14.1 million of capital receipts and £16.4 million of unapplied capital grants. Several new reserves were created at year-end:

- Rough Sleeper Accommodation Programme (RSAP) reserve £0.1 million.
- YHA Dilapidations (COVID) reserve for government grant received of £0.1 million.
- Top Transformation Programmes reserve to support funding alignment to delivery of the top transformation programmes of £2.0 million (partial alignment of previously approved £14m funding).
- Tall Buildings Enforcement reserve to deliver completion of work for £0.1 million.
- Delivery of Better Value in SEND reserve to deliver the remaining grant of £0.4 million.
- Go Ultra Low West – Revive Network reserve to be reinvested into the network in a way that meets the Scoped Objectives of £0.1 million.

Dedicated Schools Grant

The Education and Skills Funding Agency (ESFA) 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 LA more time to deliver a DSG management plan and mitigations with the aim to bring DSG annual spend back to a sustainable footing.

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

Schools Reserves – 2023/24 proved to be challenging for the sector and the financial health of LA maintained schools deteriorated by £1.7 million from £1.2 million net deficit to a £2.9 million deficit. All LA maintained schools in deficit are required to submit a deficit recovery plan for 2024/25.

Key challenges remain to be in LA maintained nurseries (MNS). An additional £2.1million uplift in Early Years Block funding in 2023/24 was welcomed as this will contribute towards financial sustainability but recovery plans will be required to address the accumulated historic deficits which, despite a marginal improvement in-year 2023-24, currently stand at £6.98 million.

Primary and secondary schools also continue to experience financial challenges despite the increased funding of £19.29 million in DSG Schools Block and £10.71 million Mainstream Schools' Additional Grant (MSAG) provided in 2023/24.

Housing Revenue Account

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 deficit for the year of £27.5 million
- The council manages 26,666 homes
- The council collected £124.0 million in dwelling rent in 2023/24 (£116.3m in 2022/23)
- The council spent £100.7 million in 2023/24 (£61.5m in 2022/23) on new builds and improvement to existing housing stock.

HRA General Reserves

HRA reserves were reduced by a net £27.5 million. This included a drawdown of £19.7 million to fund HRA's Capital Programme, £6.3 million to fund the HRA deficit and £1.5 million to fund the HRA's IT Programme.

Financial performance

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 ongoing financial stability. Overall, the Capital Programme for 2023/24 totaled £298.1 million, approved budgets originally set in February 2023. The Capital Programme spending (including revenue expenditure allowed to be funded by capital) during the year totaled £232.0 million. The Capital Programme was financed from a combination of borrowing (£42m) and from grants, contributions, and reserves (£190m).

Approved Budget Council £m	Directorate	Revised Budget £m	Outturn £m	Outturn Variance £m	Variance from budget %
2.6	Adult & Communities	1.0	1.1	0.1	10
24.7	Children & Education	16.3	13.0	(3.3)	(20)
7.7	Resources	5.6	3.6	(2.0)	(36)
114.5	Growth and Regeneration	132.9	110.9	(22.0)	(17)
15.3	Corporate	9.6	1.0	(8.6)	(90)
133.3	Housing Revenue Account	108.5	102.2	(6.3)	(6)
298.1	**Total**	**273.9**	**231.8**	**(42.1)**	**(15)**
	Financed by:				
51.6	Prudential Borrowing		42.0		
88.6	Capital Grants		81.8		
24.6	Capital Receipts		5.5		
133.3	HRA		102.2		
0.0	Revenue Contributions		0.3		
298.1	**Total**		**231.8**		

The major areas of investment have included:

- £100.7 million invested in the Council's housing stock (of which £42m was on new build developments).
- £43 million invested in transport schemes including Clean Air Zone, Flood Defences, Bedminster Green regeneration, Housing developments, Bus Deal Programme, New Cut Bridge improvements, Traffic infrastructure, Street Lighting and Highways maintenance.

- £21.9 million invested in a significant refurbishment programme of the Bristol music venue, Bristol Beacon.
- £12.2 million invested in school buildings to provide additional pupil capacity to meet increased demand, the main spend incurred on Secondary Year 7 Bulge classes and investment from the Special Education Needs and Disability (SEND) expansion programme on Project Rainbow, Bristol Education Centre (BEC), relocation of Elmsfield School for the Deaf, Throgmorton Special School, Oasis New Oak Academy and May Park Primary.
- £11.5 million invested in housing enabling work to accelerate the affordable provision including Hengrove Park, Filwood, Lockleaze, Glencoyne Square and Southmead regeneration programmes.
- £6.7 million invested in a significant programme to improve flood defences and ecological infrastructure in the Avonmouth and Severnside enterprise area, working in partnership with South Gloucestershire Council and the Environment Agency.
- £6.0 million invested in the Temple Quarter regeneration programme.
- £4.3 million invested in delivering energy efficiencies not homes sourced through the homes upgrade grant scheme.
- £4.2 million invested in digital transformation, improving networks, IT equipment ad upgrading the HRA housing management system.
- £4.1 million invested in housing adaptations and assistance programme.
- £3.6 million invested in new housing opportunities as part of the refugee resettlement programme.
- £2.7 million invested in South Bristol Light Industrial Workplace project, Whitchurch Lane in south Bristol.
- £2.2 million invested in maintenance of buildings and waste depot facilities.
- £1.8 million invested in parks and green spaces.
- £1.1 million capital grants to community organisations to support asset improvements.

Service Investments

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 2 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. To date, £11.3 million of this loan has been contractually agreed and drawn down. At the start of the financial year £7.1 million of this loan was outstanding and by 31 March 2024 BWC had repaid £1.4 million of the principal plus interest, leaving an outstanding principal balance of £5.7 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 draw down of £1.0 million. The balance of £1.8 million is forecast to be drawn down in 24/25..

Goram Homes - the council has approved 2 loan facilities with Goram. An initial loan of £3.3 million was agreed for its first two sites ('Pipeline 1'). At 31 March 2024, 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 £1.5 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 £3.9 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 £12.9 million repayable loan notes representing its transfer of Romney site into Goram Home's Joint Venture for the development of that same site. To date £3.4m has been repaid leaving a principal balance outstanding of £9.4m plus accrued interest.

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 bringing the total to £4.1 million.

Other cash investments as at the end of the financial year include investment in Homeless and Temporary Accommodation Property Fund, Great Western Credit Union, and Avon Mutual Community Bank. These totaled £13.2 million and were in line with business plans and investment reports approved by cabinet.

Treasury Management

The 2023–2028 Treasury Strategy identified a medium-term net borrowing requirement of £641 million to support the existing and future Capital Programme.

At the start of the financial year the Council held £444m of external debt and borrowed a further £50m from the Public Works Loans Board (a UK government body) in the latter part of the financial year to support the funding of the capital programme.

Net debt (borrowing less investment) was £427 million at the end of the year. The average level of treasury funds available for investment purposes during the year was £101 million, the balance at the end of the year being £67m. The return for the period was 5.00% compared to the recognised benchmark of 5.19% 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.

Pensions

As evidence confirmed that global inflation had peaked, equity markets rebounded strongly, especially in the final quarter of the year, as investors became more positive about the outlook for interest rates, earnings and higher profit margins. Bond markets were more stable following a volatile period with UK government bond yields largely unchanged as were market expectations for inflation. Global property values remained a weak spot, and are yet to recover from the shock of higher interest rates and structural changes within the sector since COVID.

The 2022 valuation took into account the current high inflation and assumed slightly higher inflation in the next few years before returning towards the Bank of England's 2% target. The current trend in inflation is aligning with this pattern of inflation assumed in the valuation.

The city council is a member of the Avon Pension Fund. The pension liability as at 31 March 2024 is £234.7 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 £98.4 million over the last year, this was mainly due to changes in some of the assumptions used by the actuary. A small increase in the rate used to discount post-employment benefit obligations (from 4.7% to 4.9%) was partly offset by a decrease in the consumer price index (from 2.7% to 2.6%).

The current funding level at 31 March 2024 is an estimated 98% based on the 2022 funding plans.

Contingencies

The council has set aside a provision of £22.5 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. With the close of the 2017 rating list and the start of 2023's list, the council has decided to maintain the provision at a similar level to 2022/23's provision (£24.5 million).

Budget for 2023/24 and Medium-Term Financial Plan (MTFP)

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. While the current financial climate is unprecedented with national and international factors largely beyond the council's control, including inflation and pay related cost increases and continuing broad demand pressures and costs in both adults' and children's social care, the council, like others across the country, is facing significant financial challenges and uncertain and unpredictable funding and cost levels.

The 2024/25 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 2023 the council agreed a balanced budget for 2024/25, including the planned use of £3.9 million from reserves. The Medium-Term Financial Plan sees an overall revenue budget for 2023/24 of £483.5 million and a capital budget for 2023/24 of £298.1 million (including the Housing Revenue Account) and aims to balance.

Future risks and opportunities

Key risks for 2024/25 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.

Monitoring of Key Risks

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 2023/24 include the failure to safeguard vulnerable children, inadequacies of HRA stock in meeting statutory landlord obligations.

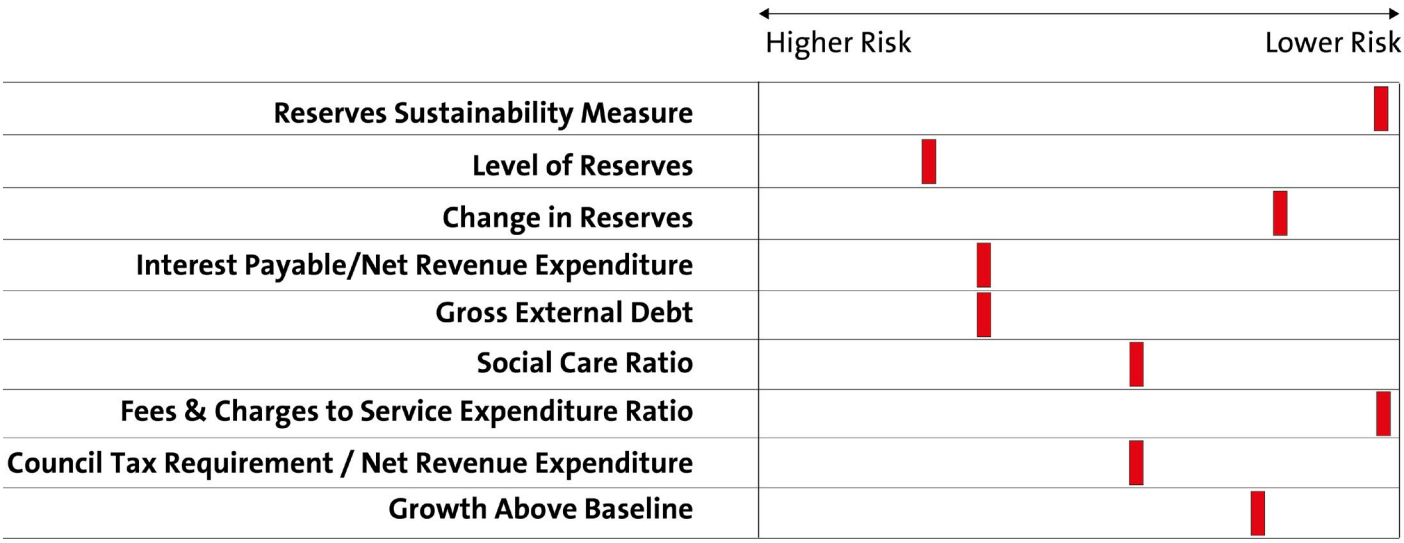
All risks are monitored, and the Audit Committee receives updates on corporate risks and their management actions on a quarterly basis. The final Corporate Risk Register (Q4) is due to be presented to Audit Committee on 30 May 2024, details of which can be found on the council's internet page (Public 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 crisis. 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.

Indicators of Financial Stress - Results Breakdown



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 2022/23 and our system of internal control, which is a critical component of our overall governance arrangements.

Tony Kirkham
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 Director of Finance;

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

- Approve the Statement of Accounts.

The Director of Finance Responsibilities

The Director of Finance 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 Director of Finance has:

- selected suitable accounting policies and then applied them consistently;

- made judgements and estimates that were reasonable and prudent;

- complied with the Code.

The Director of Finance 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 Director of Finance

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 2024.

Tony Kirkham

Tony Kirkham
Interim Director of Finance (Section 151 Officer)
25 November 2024

Independent auditor's report to the members of Bristol City Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Bristol City Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement, HRA Income and Expenditure Statement, the Statement of Movement on the HRA Balance, Collection Fund Income and Expenditure Account, the Group Comprehensive Income and Expenditure Account, Group Movement in reserves Statement, Group Consolidated Balance Sheet, Group Cash Flow Statement and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2024 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Interim Director of Finance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Interim Director of Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Interim Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Interim Director of Finance with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Interim Director of Finance is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

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

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Interim Director of Finance

As explained more fully in the Statement of Responsibilities, the Authority 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 authority, that officer is the Interim Director of Finance. The Interim Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Interim Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Interim Director of Finance is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003), Local Government and Housing Act 1989, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012).

We enquired of management and the Audit Committee, concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of the risk of management override of controls. We determined that the principal risks were in relation to journal entries that altered the Authority's financial performance for the year and potential management bias in significant accounting estimates related to property and pensions valuations. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on unusual and high risk journals, including those identified as posted by senior personnel, post year end journals, journals that impacted outturn, postings by unusual users and posting by those with administrative rights on the system;

- challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings, investment property, investment in First Corporate Shipping Ltd (Bristol Port Company) and defined benefit pensions liability valuations.

- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detectig irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team and component auditors included consideration of the engagement team's and component auditor's

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and group including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

For components at which audit procedures were performed, we requested component auditors report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements. No such matters were identified by the component auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter except:

On 14 July 2023 we identified two significant weaknesses which continue to be in place on 14 November 2024:

- two significant weaknesses in how the Authority plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the Authority's arrangements for financial sustainability and the management of demand led services and arrangements to effectively reduce the DSG deficit. We recommend that the Authority:
    - take action to contain expenditure and deliver savings on a recurrent basis across all service areas, with specific focus on Audit Social Care and Children's Services to ensure the transformation programmes deliver as planned
    - continue to drive forward its DSG management plan to ensure actions are delivered as planned and at pace.

On the 14 November 2024 we identified:

- a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. This was in relation to weaknesses including social housing standards, non-major planning applications and the high value and number of contract breaches. We recommend that the Authority:
    - address the failings raised by the Social Housing Regulator
    - address the backlog in non-major planning applications to ensure the removal of the designation notice as early as possible
    - consider what further action is required to reduce the number and value of contract breaches.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;

- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We cannot formally conclude the audit and issue an audit certificate for Bristol City Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Barrie Morris

Barrie Morris, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

Date: 5 December 2024



ANNUAL GOVERNANCE STATEMENT 2023/24

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

1. Introduction

1.1 Like all local authorities, Bristol City Council is responsible for ensuring that:

- business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently, effectively and equitably to deliver agreed priorities and benefit local people.

1.2 The Chartered Institute of Public Finance and Accountancy /Society of Local Authority Chief Executives (CIPFA/SOLACE) Delivering Good Governance in Local Government Framework (2016) also expects local authorities to put in place proper governance arrangements to ensure that these responsibilities are being met.

1.3 Bristol City Council has approved and adopted a Code of Corporate Governance (the Code) which is reviewed periodically. The Code was updated and approved by the Audit Committee in March 2021 and is consistent with the principles of the CIPFA/SOLACE Framework. Minor amendments have been made during annual reviews since then. The Code sets out the framework for ensuring each of the core principles of good governance is met by the council.

1.4 This Annual Governance Statement (AGS) explains how well the council has complied with the Code and provides an overview of how the council's governance arrangements have operated during 2023/24 and up to the date it is signed (the final version will be signed on the date the council's financial statements are approved as final). It also meets the requirements of the Accounts and Audit Regulations 2015, which require the council to publish an AGS in accordance with proper practice in relation to internal control.

1.5 We also have a duty to continually review and improve the way we work. In demonstrating compliance with the Code, we have also reflected on the governance improvements we have made during the year.

2. Conclusions and Statement of Commitment

2.1 Good governance is about ensuring that an organisation is effectively and properly run. It is the means by which 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, and without good governance the council will struggle to improve services and deliver its objectives. The council's Code of Governance details the measures in place to ensure effective governance across the council.

2.2 The council like all other organisations in the local government sector continued to operate in a challenging financial environment characterised by local supply challenges, labour shortages, pay inflation and the ambition to respond proactively to the climate emergency. Nationally there has also been high levels of demand for social care, home to school transport and large increase in homelessness, all of which have reflected locally in Bristol, and are putting pressure on our in-year and future year budgets. The extent of the financial problems facing the sector are reflected in the increasing number of government interventions, public interest reports and section 114 notices as councils struggle under increasing pressures. The council continues to work extremely hard to manage these complex situations and mitigate the adverse impact. We were able to set a balanced budget over the five-year planning period due to our careful and detailed planning and

prudent management of our finances. The council continues to use its Risk Management Policy to manage these and other significant risks while supporting innovation and exploring opportunities.

2.3 In May 2022 a referendum on the governance arrangements for the council was held. The result of that referendum sees significant changes to our current governance structure from 2024 onwards. The Council has spent significant time during 2023/24 preparing for a move from an Elected Mayor and Cabinet model of governance and decision making to a committee system of governance. The Council approved a new constitution for the committee system in January 2024. The Code of Corporate Governance has been updated to reflect the new governance arrangements and was considered by Audit Committee in October 2024.

2.4 The Council has three wholly owned council companies - Bristol Holding Ltd, Bristol Waste Company Ltd and Goram Homes.

2.5 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, Chief Internal Auditor's Annual Opinion, external audit work, external inspections as well as on-going monitoring activities undertaken as part of the organisation's performance management framework. Based on evidence from these activities, overall, the council's governance arrangements are effective. However, it is acknowledged that for 2023/24, the Chief Internal Auditor has provided limited assurance that the council's internal control, risk and governance framework was operating as intended and there were weaknesses that may put organisational objectives at risk. Although the opinion does not suggest any governance failings, the council will seek to prioritise areas identified as requiring further improvement to ensure our arrangements remain fit for purpose and resilient moving forward. Scrutiny and oversight of the progress in these areas will be through the Corporate Leadership Board (CLB) and Audit Committee.

2.6 Significant governance issues have been identified as part of this review and the actions being taken to address them are detailed in section 5.

Signed: **Date: 25/11/2024** **Leader of the Council**	**Signed:** **Date: 25/11/2024** **Paul Martin – Head of Paid Service**
Signed: **Date: 25/11/2024** **Tony Kirkham - Chief Finance Officer (s151 Officer)**	**Signed:** **Date: 25/11/2024** **Tim O'Gara – Monitoring Officer**

3. Governance Framework and Compliance Review Process

3.1 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 in order to achieve desired outcomes for service users and communities.

3.2 The Code of Corporate Governance ("the Code") 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 principles:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing capacity including the capability of its leadership and the individuals within the council
- Managing risk and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

3.3 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 2023/24. The review is informed by:

- **First Line (Management) Assurances** – Assurances received from 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** – The council's Assurance Framework has a number of statutory officers and central functions in place to provide oversight of aspects of the council operations. These officers and teams 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 (Director of Finance)
    - Monitoring Officer (Director – Legal Services)
    - HR Director (Director Workforce and Change)
    - Policy Director (Director of Policy, Strategy and Digital)
    - Senior Information Risk Owner (Director – Legal Services)
    - The Council's Audit Committee

  The Framework also enables regular financial, performance and compliance reporting to CLB and Members thereby creating 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** has provided an annual opinion sourced from a programme of assurance work completed through the year. 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.

3.4 In completing the review, section 4 below outlines how the council can demonstrate compliance with its Code of Corporate Governance. Where arrangements have been improved during the year, these are identified. Similarly, where arrangements are found not to be working as effectively as they should be, these are recorded. Significant governance issues, where arising, are clearly identified at the end of the statement.

4. Principles of Governance – Assuring Compliance and Effectiveness Review

4.1 The following paragraphs, set out some key aspects of how the council has complied with the seven principles set out in the Code. It is not intended to be exhaustive but is provided to demonstrate compliance with the core principles of good governance during 2023/24.

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

Governance In Action (2023/24)
Behaving with Integrity and demonstrating strong commitment to ethical values: The council's **Corporate Strategy** and Workforce Strategy sets out the **values and behaviours** it expects from its employees. Managers are required to review performance against the values and behaviours as part of the individual performance management framework. The council's induction programme for new employees includes a section on our expected values and behaviours, and there is an e-learning module devoted to this. An **annual staff survey** is carried out with specific questions on awareness of our values and whether they are treated fairly and with respect. This helps us understand real life experiences of our staff to support us in ensuring ethical working practices. Managers are required to review local results of the staff survey and include their actions taken as a result in the annual Workforce Plan – which forms part of the Service Planning cycle. **Codes of Conduct** are in place for staff and council Members which set out the standards of conduct expected and require declarations of interests, gifts and hospitality to be made to avoid conflicts. Clear processes are in place should there be conduct issues and concerns about upholding the council's values. All councillors sign up to the **Member Code of Conduct** as part of their acceptance of office. Training is provided to councillors as part of their induction and declarations of interest have been made by all councillors 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. **Counter-fraud arrangements** are in place including **whistleblowing reporting procedures** to enable wrongdoing to be reported and dealt with effectively. Counter fraud training, which includes coverage of whistleblowing procedures is delivered each year in key areas and this year a lunch

time learning session was also delivered more widely. In planning service delivery, managers are asked to consider fraud risks facing their services and complete fraud risk assessment where risks are significant.

Respecting the Rule of Law:
The council makes lawful decisions in line with national legislation and in accordance with the procedures set out in the council's **Constitution**. The Council has undertaken a significant review of its governance arrangements in order to prepare for the introduction of the committee system in May 2024. This includes a new constitution, which was approved in January 2024.

The Monitoring Officer has confirmed that legal advice is taken at all stages of the development of decision-making reports and throughout the implementation of key projects, programmes and initiative to ensure compliance with the Councils legal obligations.

Review of Compliance

Behaving with Integrity and demonstrating strong commitment to ethical values:

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. Managers have confirmed that where such declarations are made, they are effectively managed and appropriately recorded.

The **Director Workforce and Change** has confirmed that the level of employee grievances and disciplinary cases fluctuate year on year but in 2023/24 there were higher numbers of cases than in previous years, (0.3% of the workforce for grievances and 0.5% for disciplinary cases). An open dialogue and early resolution are always encouraged where appropriate, and the use of mediation has increased to enable swift resolution.

Annually, a **staff survey** asks a number of questions relating to the working environment and fairness experienced. In 2023, the survey saw the 'Working Environment and Fairness' elements of the survey as the most improved section with overall positive answers increasing from 57.9% in 2022 to 61.3% in 2023/24. Similarly, when asked about the working environment and wellbeing, 75% of staff responded that they felt able to challenge inappropriate or unfair behaviour. When asked about their awareness of and confidence in whistle-blowing processes 83% (82% in 2022/23) said they were aware and 56% (58% in 2022/23) said they were confident to use them.

Respecting the Rule of Law:

The **Monitoring Officer** has legal responsibility to look into matters of unlawfulness. He has confirmed that all decisions have been made in accordance with the relevant policy framework.

Regarding Member conduct, the Monitoring Officer has confirmed that all Councillors have signed up to the Member Code of conduct, made declarations of interest and received training. Complaints have been dealt with in line with the Council's established procedures. There have been no formal investigations into Members' behaviour. Work was initiated in 2023/24 to review the Procedure for Member Complaints.

Focus of Future Improvement:

Development of an e-learning module in relation to declaration of interests to support wider understanding across the organisation.

The launch of an on-line Code of Conduct form and auto-reminders will improve corporate oversight of compliance.

During 2024/25 a refreshed Workforce Strategy will be launched. This will include input from staff, staff-led-groups, trade unions and leaders on the priorities. This will continue to have culture and

leadership at its heart and the actions we will take to further develop an inclusive and values-driven culture and our plans for leadership development.

Principle B – Ensuring openness and comprehensive stakeholder engagement:

Governance In Action (2023/24)

Our **Communications Strategy 2019/2023** sets out our ambitions to enable strong communications within the council and form better relationships outside of the council with our partners and the communities we serve. Development of a new strategy was postponed until after the May 2024 local elections to ensure it reflects the Council's new governance system and any updated council priorities. The Policy, Strategy and Communications service has developed and published its service offer and new online forms to manage and prioritise communication and consultation requests.

Partnerships are registered in a central corporate register which is reviewed at regular intervals by Executive Director Meetings. A **Partnerships Policy** governs requirements of partnerships around issues of governance and performance. This policy has been reviewed, updated and approved during 2023/24 and directories of all known partnerships and outside appointments have been reviewed in preparation for the Committee system to map who represents the Council and where.

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. It has also actively participated in other partnership settings, including the Integrated Care Partnership. A recent example of open and comprehensive engagement is the development of an updated Corporate Parenting Strategy, where the council has chosen to work directly with young care-experienced people, external partners, and across organisational siloes via a Task and Finish Group.

The council has continued to publish and publicise 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, Fair and Affordable Care Policy, and Allotment Rent and Tenancy proposals. Whilst sometimes contentious, the council has demonstrated active listening and responsiveness to citizen and service user feedback, making material changes to its approach following consultation. Examples include consultations on Advocacy Services, City Centre Development and Frome Gateway Regeneration.

Review of Compliance

Management assurances have confirmed a reasonable level of assurance that effective arrangements for partnership working are in place.

The **Local Government and Social Care Ombudsman** report in respect of 2022/2023 complaints against the council was published and considered by the Audit committee in September 2023. The Ombudsman made no public interest reports. The Council has retained ISO 10002:2018, Complaints Handling in organisations certification .

An **Internal Audit Review of Bristol City Leap** (A Joint Venture partnership to support delivery of the Council's net zero carbon ambitions) governance structures at the Council provided reasonable that arrangements are effective.

Following the SEND Area inspection in 2022, the Accelerated Progress Plan review meeting was held on 11th March 2024 with a final review meeting planned for July 2024.

Focus of Future Improvement:
Update of Communications Strategy. Compliance with tracking and monitoring of partnership outcomes by lead officers for individual partnerships.

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

Governance In Action (2023/24)
Work was undertaken council-wide to plan against cross-cutting **Corporate Strategy 2022 -27** principles around inclusion, sustainability and resilience; and this in turn helped inform service-level planning through a council-wide **Service and Business Planning process for 2023/24.** Outcomes are defined in the **Corporate Strategy** and subsequently **via Annual Service and Business Planning** processes, which includes action-planning with timed milestones, and reviews of Key Performance Indicators (KPIs) and target-setting against agreed metrics. Service Plans have Director and Cabinet Member sign-off, and Director Summaries of Service Plans have Executive Director and Cabinet Member sign-off. The Annual Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Cabinet annually for noting. Teams across the council are supported in applying their own thinking to **Equality Impact Assessments.** This is led by the teams themselves and enhanced through supporting knowledge and advice. Full Equality Impact Assessments are completed to understand and avoid potential disproportionate societal impacts, which can occur if protected characteristic or other factors, such as socio-economic deprivation, are not considered when decisions are being made. **Equality Action Plans** are also a key part of the planning process for services across the council, allowing for continuous service review. The council's key decision-making process includes written assessment of **Environmental Impacts**, (which has been reviewed and strengthened during 2023/24) and checks alignment to Corporate Strategy principles and priorities which **include economic, social and environmental benefits.** The council's **Climate and Ecological Emergency Management Board** was established in 2023 to help improve the corporate governance of work across the Council. A new environmental assessment process for key decisions was deployed in 2023 **Mandatory Climate change awareness e-learning** has been developed to help colleagues understand how their individual role can play a part in tackling climate change. **Social value and sustainability** are assessed in procurement activities, with comprehensive resources and training available to officers. To reduce air pollution in the city, Bristol City Council has **a Clean Air Zone.**
Review of Compliance
Management assurances have confirmed a reasonable 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. They have also confirmed that decisions have been recorded and published in line with requirements in the constitution.

An **Internal Audit consultancy review** of the effectiveness of the governance arrangements introduced to provide oversight and challenge of **Climate and Ecological Emergency (CEE)** actions has supported consideration of next step in improving governance of CEE Strategy.

Focus of Future Improvement:

We have established the Climate and Ecological Management Board, comprised of the Heads of Service from the services responsible for delivery of the CEE objectives, particularly those related to corporate performance. We have also created a new part time Environmental Performance Manager to support this group and ensure issues can be effectively escalated to the Strategic Board. The impact and effectiveness of these new arrangements will be reviewed during the later part of 2024/25.

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

Governance In Action (2023/24)

An annual **Service Planning process** is the primary method of determining interventions, requiring managers to review policies, strategies, insights and other evidence in order to determine their priorities and interventions for the coming financial year. This is aligned (in terms of timing) to the annual budget setting process, with opportunities to review draft priorities and interventions in light of the financial envelope agreed at Full Council when the budget is set.

The process includes **action-planning with timed milestones, and reviews of KPIs** and target-setting against agreed metrics. Service Plans have Director and Cabinet Member sign-off, and Director Summaries of Service Plans have Executive Director and Cabinet Member sign-off. The annual Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Cabinet annually for noting.

All **major transformation and change projects** follow a prescribed methodology including robust options assessment across Mandate, Outline Business Case and Full Business Case stages, with consideration of these recorded at appropriate governance settings - typically Project/Programme Board(s), Executive Director Meetings, Corporate Leadership Board, Cabinet Member Briefings and Cabinet. Delivery of these programmes is overseen by Programme Boards and progress is regularly reported (monthly or quarterly) to Corporate Leadership Board, and often onwards to relevant Scrutiny Commissions, Audit Committee, CMB(s) and/or Cabinet.

A **Data and Analytics Board** was established during the year to discuss and oversee governance arrangements around data projects, strategic workforce planning, financial management and contract management.

Review of Compliance

Management assurances have confirmed a reasonable level of assurance that options appraisal is completed when determining interventions although there is room to improve arrangements in this area. Managers confirm that schemes of delegation are in place and decisions are recorded.

Focus of Future Improvement:

Review approach to delivery of transformation.

Consider adopting the national Data Ethics Framework and associated development of internal frameworks for public value, ethical impact and data quality related to data-centric projects.

A Data and Transformation Academy has been launched which is comprised of two apprenticeship schemes. It will help colleagues develop their data analysis skills and improve business processes.

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

Governance In Action (2023/24)

Our Workforce Strategy is currently in the process of being updated for 2024/25. This strategy will set out the actions we will take to support workforce and leadership development; our approach to workforce planning to address diversity and inclusion gaps; identify the type and level of skills needed for the future, and how we will attract, retain and develop talent within the organisation.

Our **leadership development programme** offers training and coaching at all levels including new and aspiring team managers. This is being refreshed for 2024/25 to take account of emerging development needs linked to the priorities in the new Workforce Strategy and the ask of managers in leading change.

During 2023/24 the **Portfolios, Programmes and Projects** (PPP team) have worked with senior leaders and other services to re-profile the council's change portfolio to **create the 'Top 5 Transformation Programmes'** and ensure appropriate resources are in place for the effective planning, delivery and monitoring of the programmes. **Additional external resource was deployed** to conduct an assurance of delivery and make recommendations on how the programmes can improve confidence in delivery.

The current **senior leadership structure** has been in place since Autumn 2022, with some recent vacancies due for recruitment post the May 2024 elections. In the meantime, there are some secondments and interim arrangements in place until the permanent recruitment takes place. all senior (Chief Officer) recruitment follows the Selection Committee terms of reference. Each post in the senior leadership team has clear accountabilities as detailed in the independently reviewed job paperwork.

Recruitment controls have been in place since July 2022 to help manage financial risks and this includes interims and other agency workers. For 2023/24, a suite of mandatory performance objectives for managers was introduced focussing on financial management, compliance (including adhering to regulations and responsibilities in relation to procurement, H&S, audit actions and Freedom of Information (FOI) responses) and supporting our people.

A talent development programme is in place, which includes support for managers in identifying talent and succession planning, and guidance for colleagues on career development – including a **'Grow your Career' hub** on the Source, with advice on identifying skills, career development plans, application and interview skills. This work also includes positive action development programmes such as **'Diverse Voices'** to bring diverse perspective to decision-making whist offering experience of working at a more senior level. Additional resources have been assigned to this work in 23/24.

During 2023/24 a review of the HR and learning and organisational development functions has delivered MTFP savings whilst re-profiling resources for the council's transformation programmes and talent development. Progress has been made in aligning learning and development activities to annual service planning.

A range of quality management information is published monthly and included within the HR Dashboard which is available to Heads of Service, Directors and Executive Directors. The **Workforce Diversity Dashboard** is also published monthly and is available to all staff. The details from these resources are used by managers to inform service plans, support business decisions and workforce planning, and develop plans for workforce change.

A Strategic Partnering approach has continued to several areas to support delivery. These include capital programme delivery, procurement and contract management, transformation programme delivery, internal audit services and Digital services. These enhance capacity and skills available to support service delivery.

Review of Compliance

The **Director of Workforce and Change** confirms that an effective management structure is in place with performance appraisals taking place. (77% staff reporting they have had one in the previous year – 2023 staff survey).

Sickness absence recording is monitored at a corporate and local level via the HR Dashboard. Following targeted work by managers and with HR support, the average working days lost have fallen from a peak of 12.5 days per employee in November 2022 to 9.5 days in March 2024. In the last 12 months 60% of absence relates to long term (greater than 20 days), short term absence accounts for 40% of working days lost. Reports on sickness absence are reviewed regularly at Directorate level and reported annually to HR Committee.

Colleagues are encouraged to complete a Health and Wellbeing plan with their managers, and a refreshed stress risk assessment was launched in 23/24.

An **Internal Audit review of Sickness Absence Management** concluded reasonable assurance that controls are working effectively in this area to help reduce the impact of sickness.

An **Internal Audit follow up review of Health and Safety** has identified that improvement actions identified in 2022/23 are being progressed with some actions remaining partially implemented. These are due for implementation early in 2024/25 and further audit work will then be completed in this area.

The H&S governance arrangements have been revised to provide greater corporate oversight on compliance and a refreshed H&S strategy, both are due for launch in quarter 1 of 2024/25. There was 78% completions of the self-assessment 'Corporate Health and Safety Management System' during 23/24 by Heads of Service. Analysis of the data takes place at directorate level.

A HSE visit following an incident at one of our buildings, resulted in a prohibition order to stop work at height and work on or near a fragile roof. This was followed by a letter of contravention. Following this, an audit of Construction Design Management (CDM) arrangements revealed weaknesses in the processes for managing H&S elements of CDM and the management of contractors. To address this, a review gateway process has been put in place and an audit of CDM practice across the organisation is due in April 2024. This is to be accompanied with a refreshed CDM policy.

Focus of Future Improvement:

Organisational health and wellbeing are one of the major priorities of the refresh of workforce strategy and the new Health, Safety and Wellbeing strategy. The Council's Health and Safety governance arrangements have been refreshed and is due for roll-out in May 2024. This will ensure there is greater corporate over-sight of H&S standards and risks . It creates a strengthened reporting line for escalating local risks through to a steering group for action, reviewing data and developing corporate-wide strategy and policies. H&S professionals will meet regularly to ensure consistency in standards and share learning.

Recruitment will commence in 24/25 for a number of permanent roles in the senior leadership structure – including Chief Executive, Director of Finance (Section 151 Officer) and Director of Housing and Landlord service (pending the outcome of a strategic review of the service). These role profiles and the requirements of the future senior leadership team will be reviewed in relation to the priorities of the new Committee system. All senior leadership (Chief Officer) recruitment takes place in accordance with the requirements in the Constitution.

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

Governance In Action (2023/24)

Managing Performance:

An **Annual Performance Framework** is compiled at the same time as Service and Business Planning for the year ahead, providing an opportunity for Heads of Service, Directors, Executive Directors, Cabinet Members and Scrutiny Members to review performance metrics and actions. All updates are highlighted for decision makers and require multiple levels of sign-off - Head of Service, Director, Executive Director, Cabinet Member and finally a formal decision made at Corporate Leadership Board.

At a corporate level, **performance metrics** are updated regularly in the Spar.net system and actions are tracked via quarterly Director returns. Every quarter, **thematic performance clinics** are held, each of which has a lead sponsoring Director who sets the agenda and chairs the Clinic, which cover the themes within the Corporate Strategy. At a service level there are a wide range of local activities in place to review and manage performance, including regular use of data and insights at departmental and divisional management meetings, and in some areas (such as within care services) there are localised performance clinics, reflective practice and a range in external reviews and inspections.

In 2023/24, new **live performance and organisational health dashboards** have been produced in PowerBI and launched to managers, senior leaders and Members, enabling always-on live review of key indicators. This is a significant improvement, although take-up and usage has been disappointing, with the products predominantly used during formal quarterly reviews of progress rather than as an active day-to-day management tool. Every quarter, corporate performance against the Performance Framework is reported to Corporate Leadership Board and Cabinet, plus Scrutiny Commissions and the Overview and Scrutiny Management Board. This includes all corporate measures and reports from all seven thematic performance clinics, with papers published publicly on the council's website. Members are also sent links to performance dashboards as part of this update.

Twice a year managers and officers take part in performance reviews against a set of agreed objectives - which reflect the service plan and Corporate Strategy priorities. For 2023/24 this included a set of mandatory performance objectives for all Directors and their direct reports. These included - Financial Management- working within budget limits and accuracy of forecasting; Complying with Management Requirements - timelines and adherence to regulations for procurement, H&S, audit actions FOI etc); Supporting our people - appropriate succession plans, workforce diversity, performance reviews, stress risk assessments, taking action on staff survey result, ensuring all staff have a performance reviews.

Managing Risk:

All service, directorate and corporate risks are reviewed regularly in line with the **Risk Management Policy**. A new risk management system was implemented during 2021/22 and this continues to embed. Quarterly reporting of key risks to management and members provides 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. This remains a high-risk for the council due to the ever-changing nature of cyber threats. Exceptions to information security policies are approved by the **Senior Information Risk Owner** and are kept under review.

Strong Financial Management

A self-assessment against **CIPFA Financial Management (FM) Code** was completed in 2022/23 and shows reasonable levels of compliance against many of the code's standards. The Council continues to work on improvements identified in the assessment.

In year **budget monitoring** moved to quarterly detailed reports supported by exception reports in the intervening periods. The Medium-Term Finance Plan was regularly updated through the year to prompt early action as required**. Recruitment controls** have remained in since in July 2022 to support management of budget pressures and included interims and other agency workers. **Benchmarking** approaches have been strengthened to support financial planning and decision making.

Tracking of savings is overseen by Finance and the Portfolio's, Programmes and Projects teams via monthly Director Reporting to the Corporate Leadership Board and Delivery Executive.

Governance over **capital projects** has again been reviewed and delivery is supported by a strategic partner.

Review of Compliance

Management Assurances confirm that the consistency with which risk registers are reviewed and business continuity plans are in place and tested needs attention.

The **Director or Policy, Strategy and Digital** advises that in spite of the robustness of reporting arrangements, the council typically only achieves approximately 50% of its performance targets. The reasons for each are recorded and reported, with capacity and limited or reducing funding often reported as blockers. In taking a 'Systems' view on its priorities and outcomes, the council is often trying to deliver outcomes over which it does not have complete control. However, the noted performance trend also extends to those metrics fully owned and delivered by the council, suggesting a need to review the realism of its intentions and target-setting, and potentially to further refine its priorities and invest its limited resources in a more targeted way.

In the 2023 **staff survey** 77% of respondents reported they had their performance review with their line manager. This is up from 71% at the same time last year

The council's **Senior Information Risk Owner** has confirmed that there are no significant exceptions or breaches with information governance policies during 2023/24. However, in September 2023 a practice recommendation was issued by the Information Commissioners Office (ICO) relating to performance in respect of response to Freedom of Information requests. Focus on improvement has seen increased performance and work is continuing to sustain improvement in this area.

The council's **Chief Finance Officer (CFO)** has confirmed it has not been necessary for any statutory reports to be made or considered during 2023/24 in their role as Section 151 Officer.

The **Chief Internal Auditor** in their annual report provided limited assurance that the Council's internal control, governance and risk management arrangements were operating as intended with some improvements required to strengthen the control environment. Significant weaknesses in the control environment as identified by Internal Audit through the planned programme of work completed are regularly reported to senior management, the Chief Executive, Corporate Leadership Board and the Audit Committee. Internal Audit are also responsible for monitoring and reporting the progress in the implementation of agreed management actions and escalating as appropriate any concerns to the Audit Committee.

An **Internal Audit review** of Risk Management concluded reasonable assurance that the Councils strategic risk management arrangements are effective.

The **Council's Companies** have confirmed through management assurances that expected risk management, governance and internal control arrangements in place. Assurances detail some areas for improvement and actions are planned to strengthen arrangements where needed. Each Company has established an Audit and Risk Committee to oversee governance and control. These Committees have provided assurance to the Council's Audit Committee during 2023/24. An annual internal audit plan has been agreed with each company Audit Committee to enable provision of independent assurance to them.

Focus of Future Improvement:

Review Performance Framework and target setting with new Committee System.

Redesign performance reporting process to adapt it to the Committee System of governance.

Complete analysis of trends related to lower achievement of performance targets and present outcomes to Corporate Leadership Board for consideration.

Quartey (detailed) budget monitoring reports should include a more detailed assessment of any balance sheet risks and a quarterly refresh of the budget risk matrix to transparently demonstrate the adequacy of contingencies and reserves on a more frequent basis

Improve the quality and consistency with which Business Continuity Plans are maintained and reviewed at service level.

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

Governance In Action (2023/24)

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. Papers will be available for members of the public unless the reports contain exempt information, as defined in law and set out in the Council's Constitution.

Forward plans were published on a monthly basis for Mayoral and Cabinet decisions. Under the new governance arrangements for 2024 and onwards, forward plans will be published for Policy Committees at least 28 days in advance of each meeting setting out both Key and Non-Key Decisions. Reports are prepared and EDMs have oversight of reports with Members briefed on reports in their portfolios. Reports are published at least five clear working days in advance of meetings although there are occasions when this time frame is not met, in which case the Council's established procedures for dealing with late or urgent materials are enacted.
Officer Executive decisions are overseen by Executive Director Meetings and Executive Support Managers have procedures in place to ensure the publication of Officer Executive Decisions. Emergency Officer decisions are sometimes required and will be reported to the next meeting of Cabinet.

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. The Committee received regular reports from both external and internal audit ensuring that appropriate actions were taken to address significant issues relating to the effectiveness of the Council's governance, risk management and internal control. Annual and half year reports to Full Council were made to highlight

key matters arising from the work of the Committee. At the end of the year, the Committee undertook a workshop to reflect on its effectiveness and provide a handover report for new committee members post the elections. This report was also provided to full Council.

Review of Compliance

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 2022/23 accounts provided an unqualified opinion. The external auditors also review the council's arrangements for Value for Money. In doing so, they have identified a number of significant weaknesses in relation to financial sustainability, social care spend levels and procurement and contract management. These matters are reflected in Section 5 of this statement.

The **Chief Internal Auditor** provides an annual opinion. For 2023/24, the Chief Internal Auditor's opinion was that there was limited assurance that the council's internal control, risk and governance framework was operating as intended and there were weaknesses that may put organisational objectives at risk.

Focus of Future Improvement:

Improve processes for tracking and reporting implementation of agreed external audit recommendations.

Full implementation of agreed management actions arising from internal audit activities.

A payments systems taskforce group has been established to improve payments IT systems to highlight contract overspend.

5. Significant Governance Issues

5.1 Each year, in concluding the review of effectiveness, 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 an update on progress made in relation to significant governance issues identified in relation to 2022/23:

Item	Issue – 2022/23	Progress Update
1	**Dedicated Schools Grant (DSG)** Bristol's DSG has reported an annual net deficit for several years, with a cumulative deficit of £39.7m as at 31	Despite activity to manage and bring the DSG deficit down overall, the DSG overspent by £18.9m in-year in 2023/24 across all the blocks. The High Needs block overspent by £20.1m in-year in 2023/24 and the

	March 2023. The key financial pressure in the DSG is within the High Needs Block (HNB) where Bristol has been unable to deliver local need within the budgets available. Whilst many actions have already been taken to address this, the total deficit is increasing. Further actions are planned. (Reference item below re Children's Services).	cumulative position at the end of the financial year was a deficit of £58.6m. During 23/24 work to manage the DSG deficit was undertaken through: • The three workstreams in the DSG Deficit Management Programme including the delivery of more specialist school places • The DfE DBV (Delivering Better Value) in SEND Programme. This included taking a decision to implement changes to the current non-statutory top-up funding at Cabinet in February 2024. In July 2023 Council was invited to take part in the Safety Valve programme which is an agreement between local authorities and the DfE to develop plans for reform to their high needs systems to make them effective and sustainable. Following a development period with the DfE the Council entered into a Safety Valve agreement in March 2024 based on plans which will support improved outcomes for children and young people as well as demonstrating that our Dedicated Schools Grant (DSG) Deficit Management Plans (DMP) are robust and can create lasting financial sustainability. The plan includes a projection to reach an in-year balance by the end of 2028/29. When the initial safety valve funding (£21.5m) is considered, the overall deficit is £37.1m. Monitoring and oversight of the Safety Valve programme will be through: • Regular updates to Bristol Schools Forum • DSG Assurance Board • SEND Partnership Board
2.	**Procurement Breaches** Since 2020/21, the number of breaches of the council's procurement regulations continue to significantly increase rising to 342 (16% of procurements) in 2022/23 for contracts with a value of £73m over the life of the contracts. Further analysis undertaken indicates that the majority of non-compliance relates to: 1) extending or entering into a new contract without first seeking the signoffs required under BCC's internal procurement rules 2) extending or awarding a new contract via direct award when BCC's internal procurement rules require competition	In early 2023/24, improvements were made to manage detection of non-compliance, which would ordinarily be expected to increase reported breach rates. Therefore, by all measures, there has been a substantial improvement in overall procurement compliance from 2022/23 to 2023/24. By number: in 2023/24 there were 205 (8% of procurements) breaches out of a total of 2584 procurement decisions made (2022/23: 2134), representing a compliance rate of 92% by number of decisions (2022/23:84%) The Council recognised that more needed to be done to improve compliance with our standards and an action plan is in place to address this. The following actions have been completed or are in delivery:

	Whilst this does not evidence whether better value would have been achieved had an alternative course of action been followed, it does indicate a weakness in internal control and risk that best value may not be achieved.	• Since 2023/24 compliance is now part of the mandatory performance objectives for Heads of Service. • Quarterly Divisional Management Team (by request) & Executive Director Management (EDM)Team attendance by procurement Business Partners • Additional specific quarterly reports on procurement compliance to EDMs, Corporate Leadership Board (CLB) and Cabinet Member Briefings. • Overview of future procurement activity as part of induction for new officers with commissioning responsibilities • Greater Executive Director accountability for compliance • Explore system development and Power BI reporting to increase visibility of contract end dates and spend In addition: a series of robust management actions, attention from Corporate Leadership and process redesign work has been undertaken in 2023/24. There were five breaches in March 2024, which compares favourably with the average across the whole of 2023/24 (17 breaches per month) and also with the total for March 2023 (33 breaches). This provides strong evidence that the management actions taken have resulted in a sustained improvement in compliance over the year. Monitoring and oversight in 2024/25 will be through: • CLB oversight • ongoing review by the Internal auditors • further updates to be provided to the Audit Committee
3	**Savings** The council continues to face challenges in delivering required savings. The savings programme agreed by Full Council in March 2022 included 2022/23 savings totalling £18.0m. These combine with £6.2m of savings carried forward from prior years still requiring delivery. In 2022/23, the Council delivered savings to the value of £25.5m, which included £6.2m of savings rolled over from 2021/22. At the end of 2022/23, the Council reported to cabinet that 64% were delivered on a recurrent basis. In 2023/24, the compound effect of rolling forward savings (£8.6m from 2022/23) is that the savings target is now £35.5m.	The 2023/24 position shows a marginal improvement in in-year delivery of 67%. The shortfall has been mitigated non-recurrently through local service management and the application of £7.2m of optimism bias built into the 2023/24 budget. The in-year shortfall of £12m savings will carry forward into 2024/25. Although the overall budget was within identified resources, savings delivery is still some way from the levels the Council aspires to. The budgeted savings of £34m plus carry forward of savings from 2023/24 give rise to a savings plan of £46m. However, the Council has provided for a £10m optimism bias which brings the net in-year savings requirement down to £36m. The development of **detailed plans and activity** is being closely monitored by Governance Boards,

		Corporate LB and Delivery Executive. Details were included in the quarterly Finance reports to Scrutiny and Cabinet and ongoing review by the internal auditors in 2023/24. The focus on detailed plans and managed delivery will continue into 2024/25 under the Committee system.
4	**Children Services** Children, Families and Community Safety services are operating in a complex and challenging environment. An ILACS inspection during 2022/23 identified the need for essential improvements to move the service from 'Requiring Improvement' to 'Good'. At the same time, there has been increased demand for services, cost of living impacts, insufficient supply of alternative supported housing provision for our young people, a significant overspend in placements, reliance on agency staff due to recruitment and retention issues and savings not delivered during 22/23. This has resulted in a significant overspend by the service in 2022/23. As with other local authorities in the country, we also have some children currently placed with unregistered provisions. We have put in place appropriate arrangements to manage the risks associated with this arrangement.	There has been continued significant pressure resulting from an increasing number of Looked after Children placements and an even bigger pressure on the unit cost of these placements due to local sufficiency challenges over the years. This financial challenge has been recognised by the Council through both a settlement of £18.5m in 2023/24 and the 2024/25 budget including £15m of additional service growth/investment which includes £4.2m allocated from the announcement of additional social care funding (excluding pay awards and inflation, which would take this figure to £19.4m). The service is embarking on a significant transformation programme called the **'Our Families Programme.'** The programme aims to enable the service to deliver the improvements required, now and in the long term, within budget and recognising the likely increasing future demand. It will also address performance, compliance and quality assurance across the service by: • Delivering sustainable, long-term improvements to our services, through a **new operating model** ensuring resources are deployed efficiently and effectively, with decisions on service development informed by insight, quality and cost analysis • **Developing more effective working relationships** with key stakeholders and partners • **Strengthening the capacity and capability** of our own workforce through recruitment and retention initiatives. We are currently employing 15 social workers that have qualified overseas, we have increased our number of apprenticeships and we have re engaged with Frontline to increase our number of students. Through Enhanced Diagnostic DfE funds we have employed a Recruitment Consultant who has improved our media and online presence. The impact of these measures will be monitored 24/25. • We have developed an **Ofsted action plan** that is monitored through our re-established Quality Improvement and Performance Board. • The **Enhanced Diagnostic analysis** also allowed us to access funds from DfE to progress work on our services for children experienced extra familial harm, our housing pathways and our fostering sufficiency. These are closely linked to our Ofsted improvement plan, sufficiency strategy and savings.

		• We have progressed a business case to improve placement sufficiency and thus reduce the use of unlawful placements. This includes extensions and adaptations for foster carers and new Childrens Homes

5.2 The following matters have been identified from the review of 2023/24 arrangements:

Item	Issue 2023/24	Key Actions
5	**Planning Service** The development management service has been operating in a severe backlog situation over the last 2 years caused by, amongst other things, the recruitment freeze following budget pressures which ended on 31/03/2023. Decision times, particularly for non-major applications, have been below the expected statutory performance targets. In March 2024, the Secretary of State designated BCC for untimely decision making on non-major developments. This gives applicants for new schemes of these types of the option to apply directly to the Planning Inspectorate	BCC appointed a new Chief Planner in spring 2023 who took up post on 23 May 2023. Since then she has been working with the teams in recovering the service, focusing in particular on building capacity and increasing productivity as reported to G&R scrutiny in November 2023. Good progress has been made in reducing unallocated applications which peaked in August 2023 and are on track for all being in hand by June 2024. Decision times for all applications have also decreased substantially since the introduction of the improved service on 6 December 2023. From validation to determination the respective acceleration is: majors 35%, non-majors 65% and others 70% faster in comparison to the same application types for the whole of 2023. To ensure the full recovery and the service achieving good delivery standards from late summer 2024 it is critical that the ongoing improvement plan is followed through. The implementation of the recovery plan has been identified for internal audit to review in 2024/25 and for progress reporting to EDM. Key aspects of the implementation plan are having sufficient, experienced planning officers (and associated internal consultees); taking a robust and proportionate approach that underpins productivity increases and facilitating improved applications through holistic/comprehensive pre-application advice and a range of initiatives that facilitate improved applications focused on providing all required information at submission.
6	**Barton House:** Concerns exist in respect of the visibility, timeliness and clear governance for key decisions which significantly impact a number of residents and or threaten their health & safety. Following the Barton House emergency evacuation, senior executive officers expressed concerns around the visibility of the highly technical reports that had ultimately led to the decision to conduct the emergency evacuation.	Appropriate governance pathways are currently being reviewed as part of the Housing and Consumer Standards Transformation Programme with a view to developing a reporting mechanism on compliance issues which will expand to include building safety matters, reviewable as a standing agenda item at Corporate Leadership Board (CLB). Key outcomes: • Establishing the Transformation Programme • Redeveloping our strategic investment strategy • Review necessity for a technical review board to form part of or act in addition to the Transformation Programme

	Whilst Housing staff had ensured that Barton House was covered in a variety of contexts such as: various Fire Safety Boards, Building Safety Boards, Housing Services Leadership Team meetings, Cabinet Member Briefing's and direct briefings with the Cabinet Member, it is clear that there is potential for improving the governance and overview of technical reports which may impact on significant housing decisions.	Monitor progress through direct reporting to CLB
7	**Social Housing Standards** The legislative and regulatory environment for the social housing sector has undergone significant change over recent years. This is impacting on: how BCC provides services to residents, maintains its homes and engages with a number of regulatory bodies (including the Regulator of Social Housing, Building Safety Regulator, Health and Safety Executive, Housing Ombudsman and Homes England. On 1 April 2024, the Regulator of Social Housing implemented a new set of Consumer Standards and a proactive regulatory regime. There have been a number of other significant changes in the legislative environment including the Building Safety Act 2022 that required high-rise blocks to have a building safety case in place by 1 April 2024. An external review of the Councils preparedness for the Consumer Standards has highlighted some areas of improvement required to meet the standards in addition to the Building Safety Act 2022.	Savills who provides specialist social housing consultancy services have undertaken two reviews. One is a review of the Consumer Standards and the second is a Landlord Compliance Data Analysis. The reviews have highlighted areas where BCC need to improve to meet a wide range of statutory and regulatory requirements. The Council has a plan in place to deliver Building Safety Cases and other activities to meet the requirements of the new Building Safety Act 2022 and other requirements. Nationally, it is recognised that the lack of expertise in the sector is affecting organisations' ability to meet the new requirements of the Act. The Councils has communicated the plan to the Regulator of Social Housing and updated the Building Safety Regulator. A Council wide Housing and Consumer Standards Transformation Programme has commenced that responds to the findings of the two Savills reviews, requirements of the Building Safety Act and other landlord compliance statutory requirements that affect the social landlord. The programme board will be chaired by the Executive Director of Growth & Regeneration and will include the S.151 Officer and other senior directors from across the Council. The Transformation Programme will have oversight of all activities required to ensure the Council meets the Consumer Standards and other landlord compliance requirements. A draft summary improvement plan has been developed. A detailed delivery plan is being developed which will be in place by 28 June 2024. The Council is in active communication with the Regulator of Social Housing regarding current performance, the Housing Consumer Standards Transformation Programme and the associated improvement plan. Monitoring and oversight will be through: • Regular Housing and Consumer Standards Transformation Programme board meetings

		(including external consultancy 'critical friend' support) • Housing Services Leadership Team oversight • Corporate Leadership Board oversight • Homes and Housing Delivery Committee oversight (to be determined with the new committee) The Regulator of Social Housing will also be undertaking oversight of delivery against the Housing and Consumer Standards Transformation Programme plan.
8	**Adult Social Care (ASC) Regulatory compliance.** High waiting list and long wait times for all statutory activities under Part 1 of the Care Act 2014 have built up over time , including assessment, reviews, carers assessment and safeguarding. A key contributor to this is workforce sufficiency, including the recruitment, retention and wellbeing of social workers and occupational therapists. **The revenue outturn position for Adult Social Care** for 2023/24 continues to reflect a challenging service context in managing the budget (due to demand, inflationary pressures and savings delivery challenges). The directorate reported an improved end of year overspend of £0.2 million position against its revised net budget of £197.7 million. However, this was after a draw down from central funding without which, the directorate would have overspent by £1.9 million.	**Regulatory compliance.** Work on waiting times is split into two linked workstreams. 1. **Knowing and understanding risks**: Building waiting times reporting module in PowerBI and a risk-based prioritisation tool. Between both, there is now improved oversight and real time information about people waiting, and relative risks, thus enabling operational managers to be fully sighted and empowered to act. 2. **Workforce resourcing**: In order to take immediate action on the operational risks, additional resources are being brought in to reduce waiting times and to make sure individuals and carers get the support they need. This comprises a contract for services to address assessment waiting times, and a response team staffed with agency social workers to address safeguarding assessment and intervention. There is approval to commit up to £700k for assessment to address waiting lists.) **LGA Peer Review** was undertaken in December 2023 to prepare for CQC inspection. Lessons learnt are informing the next phase of work, which includes: a. Refresh of the self-assessment. b. Development of 'continuous improvement plan'. c. Preparing the inspection information return. d. Testing case-tracking methodology, which will be required when the Care Quality Commission inspection takes place. **Workforce planning to address pay and non-pay options**. Job re-evaluation has been undertaken and regrading has taken place. Recruitment applications have seen an immediate increase. Non-pay options have also been approved and are awaiting implementation. These include payment of professional fees and a gradual approach to annual leave increases with long service. Other non-pay options continue to be explored. The following actions have been put in place by the directorate to improve spend control.

		• **Improved focus on spend control** through process improvements and a dedicated Transformation Programme project workstream to improve the effectiveness of internal control and governance arrangements. • **Single commissioning framework** to improve control and management of externally commissioned care costs. • **Improved finance training and support** to budget holders. • **Focus on income maximisation, debt management and improved value for money** consideration in all expenditure decisions. • **Annual review of scheme of delegation.**

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 2024

2022/23 Gross Exp £'000	2022/23 Gross Income £'000	2022/23 Net Exp £'000		2023/24 Gross Exp £'000	2023/24 Gross Income £'000	2023/24 Net Exp £'000
317,484	**(140,114)**	177,370	Adult & Communities	344,865	(153,436)	191,429
167,962	(66,396)	101,566	Children & Education	200,642	(75,505)	125,137
205,691	(135,023)	70,668	Resources	196,487	(137,683)	58,804
307,838	(159,120)	148,718	Growth & Regeneration	293,085	(157,199)	135,886
124,744	(127,179)	(2,435)	Housing Revenue Account	139,113	(136,771)	2,342
241,116	(212,748)	28,368	Dedicated Schools Grant	245,236	(248,398)	(3,162)
6,619	(4,210)	2,409	Corporate Funding & Expenditure	7,070	(227)	6,843
1,371,454	**(844,790)**	**526,664**	**Cost of services**	**1,426,498**	**(909,219)**	**517,279**
		11,316	Other operating expenditure (Note 8)			5,234
		118,673	Financing and investment income and expenditure (Note 9)			(6,297)
		(487,190)	Taxation and non-specific grant income (Note 10)			(558,558)
		169,463	**(Surplus)Deficit on provision of services**			**(42,342)**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision on Services			
		(3,592)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 19)			45,990
		(777,957)	Remeasurement of the net defined benefit liability/asset (Note 33)			(99,795)
			Items that may be reclassified to the (Surplus) or Deficit on the Provision on Services			
			(Surplus)/ deficit on financial assets measured at fair value (Notes 23)			
		(781,549)	Other comprehensive income and expenditure			(53,805)
		(612,086)	**Total comprehensive income and expenditure**			**(96,147)**

Movement in Reserves Statement for the year ended 31 March 2024

	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
Adjusted Balance at 1 April 2022		40,075	173,435	5,604	**219,114**	101,576	655	**102,231**	100,858	12,902	4,363	**439,466**	1,648,072	2,087,538
Movement in Reserves during 2022/23														
Surplus or (deficit) on the provision of services		**(171,183)**			**(171,183)**	**1,720**		**1,720**				**(169,463)**		**(169,463)**
Other Comprehensive Expenditure and Income					**-**			**-**				**-**	**781,549**	**781,549**
Total Comprehensive Expenditure and Income		**(171,183)**	**-**	**-**	**(171,183)**	**1,720**	**-**	**1,720**	**-**	**-**	**-**	**(169,463)**	**781,549**	**612,086**
Adjustments between accounting basis and funding basis under regulations	Note 18	111,378			111,378	(4,502)		**(4,502)**	4,109	(2,901)	2,768	**110,852**	(110,852)	**-**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**(59,805)**	**-**	**-**	**(59,805)**	**(2,781)**	**-**	**(2,781)**	**4,109**	**(2,901)**	**2,768**	**(58,610)**	**670,697**	**612,086**
Transfers to/(from) Earmarked Reserves	Note 19	49,257	(42,894)	(6,363)	-	-	-	**-**				**-**	-	-
Increase/(Decrease) in 2022/23		**(10,548)**	**(42,894)**	**(6,363)**	**(59,805)**	**(2,781)**	**-**	**(2,781)**	**4,109**	**(2,901)**	**2,768**	**(58,610)**	**670,697**	**612,086**
Balance at 31 March 2023 Carried Forward		**29,527**	**130,541**	**(759)**	**159,309**	**98,795**	**655**	**99,450**	**104,967**	**10,001**	**7,131**	**380,855**	**2,318,769**	**2,699,624**
Movement in Reserves during 2023/24														
Surplus or (deficit) on the provision of services		**40,420**			**40,420**	**1,922**		**1,922**				**42,342**		**42,342**
Other Comprehensive Expenditure and Income					**-**			**-**				**-**	**53,805**	**53,805**
Total Comprehensive Expenditure and Income		**40,420**	**-**	**-**	**40,420**	**1,922**	**-**	**1,922**	**-**	**-**	**-**	**42,342**	**53,805**	**96,147**
Adjustments between accounting basis and funding basis under regulations	**Note 18**	**(9,088)**	**-**		**(9,088)**	**(29,419)**		**(29,419)**	**(41,066)**	**348**	**7,440**	**(71,782)**	**71,782**	**-**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**31,332**	**-**	**-**	**31,332**	**(27,497)**	**-**	**(27,497)**	**(41,066)**	**348**	**7,440**	**(29,440)**	**125,587**	**96,147**
Transfers to/(from) Earmarked Reserves	**Note 19**	**(36,289)**	**37,883**	**(1,770)**	**(176)**	**-**	**176**	**176**				**-**	**-**	**-**
Increase/(Decrease) in 2023/24		**(4,956)**	**37,883**	**(1,770)**	**31,157**	**(27,497)**	**176**	**(27,321)**	**(41,066)**	**348**	**7,440**	**(29,440)**	**125,587**	**96,147**
Balance at 31 March 2024 Carried Forward		**24,571**	**168,424**	**(2,529)**	**190,466**	**71,298**	**831**	**72,129**	**63,901**	**10,349**	**14,571**	**351,414**	**2,444,357**	**2,795,771**

Balance Sheet as at 31 March 2024

31-Mar-23		Note	31-Mar-24
£'000			£'000
3,081,957	Property, Plant & Equipment	19	3,081,561
215,256	Heritage Assets	20	216,256
10,859	Intangible Assets	22	8,192
282,169	Investment Property	21	315,591
45,065	Long Term Investments	23	54,131
56,786	Long Term Debtors	28	54,910
3,692,092	**Long Term Assets**		**3,730,641**
40,343	Short Term Investments	23	-
2,356	Inventories	29	3,374
182,921	Short Term Debtors	28	230,494
76,764	Cash and Cash Equivalents	30	68,354
1,232	Assets held for sale		1,232
303,616	**Current assets**		**303,454**
(31,117)	Cash Overdrawn	30	(9,939)
(4,764)	Short Term Borrowing	23	(30,096)
(213,309)	Short Term Creditors	31	(228,666)
(12,480)	Provisions	32	(12,249)
(13,115)	Revenue grants received in advance	16	(10,684)
(56,153)	Capital grants received in advance	16	(71,900)
(330,939)	**Current liabilities**		**(363,534)**
(445,488)	Long Term Borrowing	23	(470,488)
(15,249)	Provisions	32	(13,321)
(487,574)	Other Long Term Liabilities	31	(369,207)
(16,834)	Capital Grants Receipts in Advance	16	(21,774)
(965,145)	**Long term liabilities**		**(874,790)**
2,699,624	**Net assets**		**2,795,771**
(380,855)	Usable Reserves	18	(351,415)
(2,318,769)	Unusable Reserves	33	(2,444,356)
(2,699,624)	**Total reserves**		**(2,795,771)**

These Financial Statements replace the unaudited Financial Statements confirmed by Tony Kirkham, Director of Finance (S151 Officer) on 25 November 2024.

Signed Tony Kirkham- Director of Finance (S151 Officer)

Cash Flow Statement for the year ended 31 March 2023

2022/23			2023/24
£'000		Note	£'000
(169,463)	Net deficit / Surplus on the provision of services		42,342
211,578	Adjustment to net surplus on the provision of services for non-cash movements	35	61,431
(113,453)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	35	(115,736)
(71,338)	Net cash flows from Operating Activities		(11,963)
18,218	Investing Activities	36	(19,266)
(14,968)	Financing Activities	37	43,999
(68,089)	Net increase (decrease) in Cash and Cash Equivalents		12,770
113,735	Cash and Cash Equivalents at the beginning of the reporting period	30	45,645
45,646	**Cash and Cash Equivalents at the end of the reporting period**		**58,415**

Notes to the Accounts

1 Accounting Policies

(i) General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (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 2023/24 (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.

(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 liability/asset, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability/asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset at the beginning of the period, considering any changes in the net defined benefit liability/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 liability/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 £13.926m (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 £0.982m, reducing total payments from £14.908m to £13.926m. 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). It immediately reduced the net pensions liability, but the payment will be released to the Pensions Reserve over the respective three financial years, in accordance with proper accounting practice.

The latest triennial review took place at 31st March 2022. This is effective from April 2023.

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 1st April 2018.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. 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 measured at:

- amortised cost.

- fair value through profit or loss (FVPL).
- 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. Financial assets are therefore classified as 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).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable 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.

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

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

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

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

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

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

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

An equity instrument can be elected to a FVOCI treatment rather than a FVPL treatment if it is not held for trading. 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 payments.
- 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 from the Intangible Asset 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. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no Intangible Asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an Intangible Asset is amortised over its useful life to the relevant service line 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. Impairments are recognised in the 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 where the parties are bound by contractual arrangement and the contractual arrangement 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

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability.
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges 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 rent-free period at the commencement of the lease).

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.
- 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 £0.25m 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 or best price that can be obtained in the most advantageous market, in an arms' length transaction between knowledgeable participants at the measurement date".
- 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. 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).
- 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 £5m - 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 £10k 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 authority 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

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet 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 (ie netted off against the carrying value of the asset at the time of disposal). The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

(xxv) Provisions, Contingent Liabilities and Contingent Assets

Provisions

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.

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 2023/24 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 Alternative Provision Site).
- 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 Council 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 by the 2023/24 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).

b) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.

c) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.

d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.

e) Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

IFRS 16 Leases

In 2024/25 the Council will apply IFRS 16 Leases as adopted by the Code. IFRS 16 will mean that the majority of the leases where the Council acts as lessee will come on to the balance sheet. Lessor accounting is effectively unchanged.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising (for example) the leases vehicle, plant, equipment, property and land as an asset and future rents as a liability), a right of use asset and a lease liability are to be brought onto the balance sheet as at 1 April 2024. Leases of items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised as at 1 April 2024. This means that right of use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior years.

As a lessee the Council has previously classed leases as operating leases or finance leases, based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16 the Council recognises right of use assets and lease liabilities for most leases – i.e. these leases are "on balance sheet".

The Council will apply recognition exemptions to short term leases and will not recognise right of use assets and lease liabilities for short term leases that have a term of less than 12 months or less and leases of low value assets. The Council will continue to recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The authority is implementing IFRS 16 in FY 2024/25, and the assessment of IFRS 16 has not yet been conducted; the impact is not yet known or cannot be reasonably estimated. Other than IFRS 16, none of these amendments are anticipated to have a material impact on the Council's financial performance and financial position.

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 10 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 2024 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 £3.054bn	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 2024 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 £30.54m 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 £1bn • a 0.25% increase in the assumed level of pension increases will increase the net pension liability by £37m. • a 0.25% increase in the assumed level of pay inflation will increase the net pension liability by £40m. • an increase of one year in longevity will increase the net pension liability by £38m.

Fair Value Estimation Carrying value £316m	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 £31.6m 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 Director of Finance on 31st May 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st May 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

6 Expenditure and Funding Analysis for the year ended 31 March 2024

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.

2023/24

	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes EFA (Note 1)	Net change for the Pension Adjustments (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	**186,016**	6,404	(991)		**5,413**	**191,429**
Children & Education	**135,547**	(4,609)	(5,802)		**(10,411)**	**125,137**
Resources	**52,336**	7,967	(1,499)		**6,468**	**58,804**
Growth & Regeneration	**51,942**	85,655	(1,711)		**83,944**	**135,886**
Housing Revenue Account	**24,417**	(21,154)	(921)		**(22,075)**	**2,342**
Dedicated Schools Grant	**(1,753)**	-	(1,409)		**(1,409)**	**(3,162)**
Corporate Funding & Expenditure	**6,719**	424	(125)	(176)	**123**	**6,843**
	455,224	74,687	(12,458)	(176)	**62,053**	**517,279**
Other income and expenditure (Notes 8,9,10)	(459,060)	(109,573)	13,859	(4,847)	(100,561)	(559,621)
(Surplus) Deficit on the Provision of Services	**(3,836)**				**(38,508)**	**(42,342)**
Opening General Fund and HRA Balance	(258,758)					
Less Deficit on General Fund and HRA Balance in Year	(3,836)					
Closing General Fund and HRA Balance at 31 March 2024*	**(262,595)**					

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

	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes EFA (Note 1)	Net change for the Pension Adjustments (Note 2)	Other Differences EFA (Note 3)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
People	**261,118**	9,000	8,817		**17,817**	**278,936**
Resources	**54,240**	7,771	8,656		**16,428**	**70,668**
Growth & Regeneration	**72,158**	66,026	10,534		**76,560**	**148,718**
Housing Revenue Account	**(9,341)**	1,768	5,138		**6,906**	**(2,435)**
Dedicated Schools Grant	**20,219**	-	8,149		**8,149**	**28,368**
Corporate Funding & Expenditure	**15,365**	(9,702)	(2,582)	(672)	**(12,956)**	**2,409**
	413,759	74,864	38,712	(672)	**112,904**	**526,664**
Other income and expenditure (Notes 8,9,10)	(351,173)	18,510	28,142	(52,680)	(6,028)	(357,201)
(Surplus) Deficit on the Provision of Services	**62,586**				**106,876**	**169,463**
Opening General Fund and HRA Balance	(321,344)					
Less Deficit on General Fund and HRA Balance in Year	62,586					
Closing General Fund and HRA Balance at 31 March 2023*	**(258,759)**					

* For a split of this balance between the General Fund and the HRA - see movements 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

	2023/24 £'000	2022/23 £'000
Expenditure & Income Analysed By Nature		
Expenditure		
Employee Benefits Expense	399,190	436,425
Depreciation, Amortisation & Impairment	134,397	104,432
Other Service Expenditure	952,621	909,661
(Gain) / Loss on Investment Property Revaluation	-	73,179
Total Expenditure	**1,486,208**	**1,523,698**
Income		
Fees, Charges and Other Service Income	(369,370)	(335,791)
Interest & Investment Income	(22,131)	(10,104)
Income from Council tax & Non-domestic Rates	(446,125)	(397,595)
Government Grants, Other Grants and Contributions	(664,489)	(610,745)
(Gain) / Loss on Investment Property Revaluation	(26,434)	-
Total Income	**(1,528,550)**	**(1,354,235)**
Surplus or (deficit) on the Provision of Services	**(42,342)**	**(169,463)**

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.

	2023/24 £'000	2022/23 £'000
Contributions from Other Organisations	22,858	22,451
Health Authorities	40,630	35,512
Other Local Authorities	8,744	7,954
Social Care Charges	30,350	28,457
Sales of Services	7,529	20,562
Car Parking	14,864	13,675
Housing Revenue Account Income	132,668	126,643
Commercial Rents	15,333	15,203
Licencing	19,407	11,636
Clean Air Zone	38,300	9,877

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.

	2023/24 £'000	2022/23 £'000
Client Contributions	29,693	27,547
Deferred Payments	256	538
Total	**29,949**	**28,085**

The following amounts were included in the Balance Sheet for contracts with service recipients, in relation to the contracts identified above.

	2023/24 £'000	2022/23 £'000
Adult care and health residential	921	1,723
Adult care and heath	522	522
Total	**1,443**	**2,245**

Except for the above all contracts with service recipients are complete and, therefore, no contract obligations, assets or liabilities continue beyond this financial year.

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 2023/24, Clear Air Zone net income of £31.9m (gross income of £38.3m and gross expenditure of £6.4m) is included in the surplus or (deficit) on the provision of services.

8 Other Operating Expenditure

	2023/24 £'000	2022/23 £'000
Precepts and levies	10,946	10,867
Payments to the Government housing capital receipts pool	(1)	-
Losses/(gains) on the disposal of non-current assets	(5,711)	449
Total	**5,234**	**11,316**

9 Financing and Investment Income and Expenditure

	2023/24 £'000	2022/23 £'000
Interest payable and similar charges	38,712	36,993
Changes in the Fair Values of Financial Instruments	(9,456)	1,696
Pensions net interest cost	13,859	28,142
Interest receivable and similar income	(12,324)	(10,920)
Income and expenditure in relation to Investment Properties	(10,654)	(10,417)
Changes in fair value of Investment Properties	(26,434)	73,179
Total	**(6,297)**	**118,673**

10 Taxation and Non-Specific Grant Income

	2023/24 £'000	2022/23 £'000
Council tax income	(262,476)	(244,107)
Non-domestic rates	(183,649)	(153,495)
Non-service-related government grants	(43,198)	(31,220)
Capital grants and contributions	(69,235)	(58,368)
Total	**(558,558)**	**(487,190)**

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 £95.682m in 2023/24 and administered by whichever body undertook the contracting arrangements.

Fund 1 is administered by Bristol, North Somerset & South Gloucestershire Integrated Care Board and totals £22.786m. 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 £0.959m. 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 £3.847m, 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 £51.074m. 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 £17.016m, which is wholly made up of the improved Better Care (iBCF) and Winter Pressures funds. 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	22,786	959		20,099		43,844
Bristol City Council	-	-	3,836	30,974	17,016	51,826
Total funding into Pooled Budget	**22,786**	**959**	**3,836**	**51,073**	**17,016**	**95,670**
Expenditure met from Pooled Budget						-
BNSSG ICB	22,786	959	-	20,099	-	43,844
Bristol City Council	-	-	3,836	30,974	17,016	51,826
Total expenditure from Pooled Budget	**22,786**	**959**	**3,836**	**51,073**	**17,016**	**95,670**
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.

	2023/24 £'000	2022/23 £'000
Allowances	1,586	1,511

In addition to the above, the elected Mayor is paid an annual allowance amounting to £89,793 (2022/23: £86,439).

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:

2023/24				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 '23 - Mar '24	S Peacock		187,375	-	38,088	**225,463**
Executive Directors - Growth and Regeneration	Apr '23 - Mar '24	J Smith		148,127	-	28,892	**177,019**
Executive Director - Adult & Communities	Apr '23 - Mar '24	H Evans		152,114	-	30,930	**183,044**
Executive Director - Children & Education	Apr '23 - Aug '23	A Gbago	1	73,332	-	13,861	**87,193**
Executive Director - Children & Education	Feb '24 - Mar '24	H Woodhouse	2	22,921	-	4,662	**27,583**
Statutory Officers- Chief Financial (S151)	Apr '23 - Mar '24	D Murray		131,522	-	26,752	**158,274**
Statutory Officers- Director Adult Social Care	Apr '23 - Jun '23		3	25,864	69,004	5,261	**100,129**
Statutory Officers- Director Adult Social Care	Jun '23 - Mar '24		4	96,375	-	19,594	**115,969**
Statutory Officers – Director of Public Health	Apr '23 - Mar '24			99,140	-	20,165	**119,305**
Statutory Officers- Director Education and Skills	Apr '23 - Mar '24	R Bhogal-Welsh	5	159,954	-	16,272	**176,226**
Statutory Officers- Director Children, Families & Safer Communities	Apr '23 - Mar '24			97,679	-	19,868	**117,546**
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '23 - Mar '24			102,918	-	20,934	**123,852**
Director Management of Place	Apr '23 - Mar '24	P Mellor		131,522	-	26,752	**158,274**
Director Homes and Landlord Services	Apr '23 - Jan '24	D Graham		152,464	-	26,202	**178,666**

1 Post holder left on 3rd September 2023
2 Post holder started on 5th February 2024
3 Post holder left on 30th June 2023
4 Post holder started on 12th June 2023
5 Apr 23 - July 23. The post holder was engaged on an interim basis at a cost of **£79,954**. From August 23 the post holder has been appointed on a permanent contract.

***Fees paid in respect of individuals engaged on an interim basis**
The Council also secured services from various individuals on an interim basis during 2022/23 and 2023/24. The amounts disclosed below in respect of these posts are the costs incurred by the Council to secure the individuals services on this basis and not the amounts these individuals actually received (which will have been lower). The fees payable by the Council in respect of these individuals amounted to £150,000 or more pro rata, in 2023/24 were as follows:

- P Day who held the position of Head of IT Operations from July 2023 to September 2023 at a cost to the Council in 2023/24 of £52,741 (2022/23 of £0)
- P Barry who held the position of Property Service Manager from April 2022 to October 2022 at a cost to the Council in 2023/24 of £0 (2022/23 of £115,220)
- A Layton who held the position of Head of Financial Planning from April 2022 to July 2022 at a cost to the Council in 2023/24 of £0 (2022/23 of £61,118)
- F Rodriguez who held the position of Corporate Landlord Project Manager from April 2022 to July 2022 at a cost to the Council in 2023/24 of £0 (2022/23 of £35,027)
- J Blackburn who held the position of Director of Adults Transformation from April 2022 to January 2023 at a cost to the Council in 2023/24 of £0 (2022/23 of £166,661)

2022/23				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 '22 - Oct '22	M Jackson	1	98,881	-	-	**98,881**
Chief Executive & Head of Paid Service	Oct '22 - Mar '23	S Peacock	2	80,735	-	16,954	**97,690**
Executive Directors - Growth and Regeneration	Apr '22 - Oct '22	S Peacock	3	104,358	-	1,965	**106,323**
Executive Director - Adult & Communities	Apr '22 - Mar '23		4	145,589	-	30,560	**176,149**
Executive Director - Children & Education	Dec '22 - Mar '23	A Gbago	5	47,940	-	9,533	**57,473**
Director Management of Place	Apr '22 - Mar '23	P Mellor		128,090	-	26,686	**154,776**
Statutory Officers- Chief Financial (S151)	Apr '22 - Mar '23	D Murray		127,075	-	26,686	**153,761**
Statutory Officers- Director Adult Social Care	Apr '22 - Mar '23			100,068	-	20,991	**121,060**
Statutory Officers – Director of Public Health	Apr '22 - Mar '23			95,787	-	20,115	**115,902**
Statutory Officers- Director Education and Skills	Apr '22 - Jul '22			36,502	-	7,665	**44,167**
Statutory Officers- Director Education and Skills	Aug '22 - Jan '23			48,462	-	10,015	**58,477**
Statutory Officers- Director Education and Skills (Interim)*	Feb '23 - Mar '23	R Bhogal-Welsh		42,708	-	-	**42,708**
Statutory Officers- Director Children, Families & Safer Communities (Interim)*	Apr '22 - Jul '22	S Parker		66,093	-	-	**66,093**
Statutory Officers- Director Children, Families & Safer Communities	Aug '22 - Mar '23			64,076	-	13,456	**77,532**
Statutory Officers- Service Director Legal and Democratic (Monitoring Officer)	Apr '22 - Mar '23			98,412	-	20,667	**119,079**

1 Post holder left on 23rd October 2022

2 Post holder started on 21st October 2022

3 Executive Director restructure resulting in this post being deleted on 20th October 2022.

4 Executive Director restructure resulting in this post being amended from Executive Director - People on the 21st October 2022.

5 Executive Director restructure resulting in this post being created on 21st October 2022 and filled on 16th December 2022.

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.

***Fees paid in respect of individuals engaged on an interim basis**

The Council also secured services from various individuals on an interim basis during 2021/22 and 2022/23. The amounts disclosed below in respect of these posts are the costs incurred by the Council to secure the individuals services on this basis and not the amounts these individuals actually received (which will have been lower). The fees payable by the Council in respect of these individuals amounted to £150,000 or more pro rata, in 2022/23 were as follows:

- P Barry who held the position of **Property Service Manager** from April 2022 to October 2022 at a cost to the Council in 2022/23 of **£115,220.**
- A Layton who held the position of **Head of Financial Planning** from April 2022 to July 2022 at a cost to the Council in 2022/23 of **£61,118**.
- F Rodriguez who held the position of **Corporate Landlord Project Manager** from April 2022 to July 2022 at a cost to the Council in 2022/23 of **£35,027**.J Blackburn who held the position of **Director of Adults Transformation** from April 2022 to January 2023 at a cost to the Council in 2022/23 of **£166,661.**

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	2023/24		2022/23	
	Number of employees		Number of employees	
	Schools	Non-Schools	Schools	Non-Schools
£50,000 - £54,999	55	267	37	138
£55,000 - £59,999	24	51	24	43
£60,000 - £64,999	21	49	12	48
£65,000 - £69,999	14	34	12	29
£70,000 - £74,999	11	28	16	35
£75,000 - £79,999	13	19	6	29
£80,000 - £84,999	3	23	3	10
£85,000 – £89,999	5	4	1	9
£90,000 - £94,999	-	6	-	8
£95,000 - £99,999	-	3	-	4
£100,000 - £104,999	-	-	-	1
£105,000 - £109,999	-	1	-	4
£110,000 - £114,999	1	1	-	1
£115,000 - £119,999	-	1	-	1
£120,000 - £124,999	-	1	1	1
£125,000 - £129,999	-	-	-	1
Totals	147	488	**112**	**362**

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 2023/24, 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	
	2023/24 No.	2022/23 No.	**2023/24 No.**	2022/23 No.	**2023/24 No.**	2022/23 No.	**2023/24 £'000**	2022/23 £'000
£0 - £20,000	28	5	25	35	53	40	483	448
£20,001 - £40,000	4	1	7	34	11	35	292	1,016
£40,001 - £60,000	2	1	5	28	7	29	323	1,304
£60,001 - £80,000	-	-	1	1	1	1	69	66
£80,001 - £100,000	-	1	-	-	-	1		88
Total	**34**	**8**	**38**	**98**	**72**	**106**	1,166	2,921

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.

	2023/24 £'000	2022/23 £'000
Fees payable to the External Auditor regarding external audit services carried out by the appointed auditor for the year	645	269
Fees payable to the External Auditor for the certification of grant claims and returns for the year	58	73
Fees payable to the External Auditor for the CFO Insights Subscription	37	
Total	**740**	**342**

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:

2022/23 £'000 Central Expenditure	ISB	Total		Notes	2023/24 £'000 Central Expenditure	ISB	Total
		423,388	Final DSG before academy and high needs recoupment				452,272
		237,771	Academy and high needs figure recouped for year	1			255,521
		185,617	**Total DSG after academy and high needs recoupment for year**				**196,751**
		-	Plus: Brought forward from previous year				-
		-	Less: Carry forward agreed in advance				-
69,386	116,232	185,617	Agreed initial budgeted distribution in year		72,208	124,543	196,751
-	(690)	(690)	In year adjustments	2	22,196	(750)	21,446
69,386	**115,542**	**184,927**	**Final budgeted distribution for year**		**94,404**	**123,793**	**218,197**
85,019	-	85,019	Less: actual central expenditure		93,289	-	93,289
-	114,940	114,940	Less: actual ISB deployed to schools		-	122,332	122,332
-	-	-	Plus: LA contribution for year		-	-	-
(15,633)	**602**	**(15,032)**	**In Year Carry forward**		**1,115**	**1,461**	**2,576**
			Carried Forward				2,576
		(24,650)	DSG unusable reserve at the end of the previous year	3			(39,682)
		(15,032)	Addition to DSG unusable reserve at the end of year				-
		(39,682)	**Net DSG position at the end of the year (Note 33)**	4			**(39,682)**

1. The academy recoupment in 2022/23 comprised 86 academies open at the start of the year plus 2 that converted in year. The academy recoupment in 2023/24 comprised 88 academies open at the start of the year plus 5 that converted or were newly registered as Free Schools in-year.
2. The in-year estimated adjustment for the final early years block funding 2023/24 £0.759m, following the January 2024 census data up-date, due in summer 2024, £21.520m Safety Valve funding 2023/24 and £0.676m Schools in Financial Difficulty funding.
3. This is the brought forward figure from 2022/23.
4. The total carry forward deficit is £37.106m for the year. Included in the carry forward are surpluses from de-delegated budgets of £0.464m, £0.262m underspend in Early Years Block, £2.311m Schools Block underspend, High Needs Transformation Programme of £0.982m underspend and the Safety Valve Programme funding of £21.520m, offsetting deficits of £62.647m in High Needs Block.

16 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/24:

Credited to Taxation and Non Specific Grant Income

	2023/24	2022/23
	£'000	£'000
Capital grants and contributions (Note 10 & see below)	69,235	58,368
Non service related government grants (Note 10)	43,198	31,220
Total	**112,433**	**89,588**

Capital grants and contributions

	2023/24	2022/23
	£'000	£'000
Government grants applied:		
People	486	5,928
Growth & Regeneration	51,620	42,087
Resources	511	1,193
Housing Revenue Account	5,977	2,247
Developer Contributions	1,667	5,487
Corporate Funding & Expenditure	-	1,426
Total Government Grants & Contributions applied	**60,261**	**58,368**
Capital Grants Unapplied	8,974	-
Total grants credited to the CIES	**69,235**	**58,368**

Grants Credited to Services

	2023/24 £'000	2022/23 £'000
Adults, Children and Education		
Adult Education	-	1,381
Better Care Fund	43,142	39,816
Education - other	5,088	1,575
Dedicated Schools Grant	216,988	183,409
Education Services Grant	-	59
Education and Skills Funding Agency Grants	14,415	12,634
Covid 19 - Education and Skills Funding Agency Grants	-	97
Independent Living Fund Grant	1,618	1,618
PFI Special Grant	15,723	16,323
Pupil Premium	7,105	6,783
Troubled Families	2,142	1,879
Youth Justice Board	936	911
Other Social Care Grants (Adults)	5,614	5,685
Other Social Care Grants (Children)	10,940	9,502
REFCUS	13,218	8,398
Homes for Ukraine	2,459	3,485
People - Other	12,404	5,801
Growth & Regeneration		
Discretionary Housing Payments	740	741
Homelessness Reduction & Support Grant	10,827	8,439
Housing Benefit (rent allowances/council tax benefit) subsidy	113,685	112,435
Housing Benefit Administration Subsidy	2,424	2,433
Public Health	35,849	34,588
COVID-19 - Public Health Grants	-	577
Public Health - Other	2,133	1,622
SWERCOTS	543	411
Travel & Transport Grants	498	349
Air Quality Grant	-	6,588
Arts Council England	2,157	2,290
Better Bus Area Fund	-	38
Sustainable Travel Access Fund	-	330
Household Support Fund	8,079	8,080
North & South Bristol Enterprise Support Grants	-	736
Heat Networks	-	20,367
REFCUS	17,169	16,138
Growth & Regeneration - other	5,930	5,090
Resources		
Covid 19 - Tax Income Guarantee 75%	-	8
Covid 19 - Test & Trace Support Grant	34	166
Resources - Other	196	375
Total	**552,056**	**521,157**

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 2024 £'000	31 March 2023 £'000
Capital Grants and Contributions Received in Advance		
Government grants	64,642	50,542
Section 106 contributions	29,032	22,445
Total	**93,674**	**72,987**
Due < 1 year	71,900	56,153
Due > 1 year	21,774	16,834
Total	**93,674**	**72,987**
Revenue grants Received in Advance		
People	8,966	11,688
Growth & Regeneration	568	1,061
Taxation and non-specific grant income	902	-
Resources	248	366
Total	**10,684**	**13,115**

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.

2023/24	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, impairment, and revaluation movements of non-current assets	(97,523)	(32,629)				(130,152)
Movement in the market value of Investment Properties	26,982	(548)				26,434
Amortisation of Intangible Assets	(4,040)	(626)				(4,666)
Capital grants and contributions	93,644	5,977				99,622
Revenue expenditure funded from capital under statute	(48,859)	-	-			(48,859)
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	(1,291)	(7,578)				(8,869)
Changes in Fair Value of Financial Instruments (MiRs)	9,456	-				9,456
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:	-	-				-
Statutory provision for the financing of capital investment	22,137	-				22,137
Capital expenditure charged against the General Fund and HRA balances	618	21,167				21,784
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	3,493	11,088	(14,580)			-
Administrative costs of non-current asset disposals	-	-				-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	55,646			55,646
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	-	33,242		(33,242)		-
Use of the MRR to finance new capital expenditure	-	-		32,894		32,894
Adjustments involving the Capital Grants Unapplied Account:	-	-				-
Application of grants to capital financing transferred to the Unapplied Capital Grants	-	-			(8,974)	(8,974)
Application of grants and contributions to capital financing	-	-			1,534	1,534
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	178	-				178
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)	(48,798)	(6,093)				(54,891)
Employer's pensions contributions and direct payments to pensioners payable in the year	48,068	5,419				53,487
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	4,847	-				4,847
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	176	-				176
Other Reserve Movements	-	-				-
Total Adjustment	**9,088**	**29,419**	**41,066**	**(348)**	**(7,440)**	**71,782**

2022/23	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, impairment, and revaluation movements of non-current assets	(67,460)	(31,745)				(99,205)
Movement in the market value of Investment Properties	(74,073)	894				(73,179)
Amortisation of Intangible Assets	(4,620)	(505)				(5,126)
Capital grants and contributions	80,656	2,247				82,904
Revenue expenditure funded from capital under statute	(34,551)	-	-			(34,551)
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	(20,710)	(14,398)				(35,108)
Changes in Fair Value of Financial Instruments (MiRs)	(1,696)	-				(1,696)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:	**-**	-				**-**
Statutory provision for the financing of capital investment	17,522	-				17,522
Capital expenditure charged against the General Fund and HRA balances	1,291	3,487				4,778
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	12,818	21,841	(34,659)			0
Administrative costs of non-current asset disposals	-	-	-			-
Use of the Capital Receipts Reserve to finance new capital expenditure	**-**	-	24,913			24,913
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	**-**	30,482		(30,482)		-
Use of the MRR to finance new capital expenditure	**-**	-		33,383		33,383
Adjustments involving the Capital Grants Unapplied Account:	**-**	-				**-**
Application of grants to capital financing transferred to the Unapplied Capital Grants	**-**	-			(4,533)	(4,533)
Application of grants and contributions to capital financing	**-**	-			424	424
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)	(105,945)	(12,920)				(118,865)
Employer's pensions contributions and direct payments to pensioners payable in the year	46,892	5,119				52,010
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	52,680	-				52,680
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	672	**-**				672
Other Reserve Movements	(15,031)	**-**	6,978			(8,053)
Total Adjustment	**(111,378)**	**4,502**	**(2,768)**	**2,901**	**(4,109)**	**(110,852)**

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 2023/24, 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, City Deal Business Rate Pooling, Stoke Park Dowry Covid 19 Support grant.
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: - Bristol Futures - to provide new technology to improve public services - Development Fund primarily to fund Docks Asset Survey existing and proposed regeneration schemes - Housing Support to provide support for homelessness issues

	01 April 2022	Transfers out	Transfers in	31 March 2023	01 April 2023	Transfers out	Transfers in	31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund Strategic Reserve	**(40,075)**	24,991	(14,443)	(29,527)	**(29,527)**	10,706	(5,750)	**(24,571)**
General Fund Earmarked Reserves								
Capital Investment Reserve	**(37,093)**	5,385	(8,359)	(40,067)	**(40,067)**	2,653	(1,194)	**(38,608)**
Business Transformation Reserve	**(2,848)**	772	(3,936)	(6,012)	**(6,012)**	4,339	(7,882)	**(9,555)**
Risk Management Reserve	**(54,446)**	40,229	(1,245)	(15,462)	**(15,462)**	29,645	(55,321)	**(41,138)**
Statutory/Ring-fenced Reserve	**(56,788)**	21,586	(28,030)	(63,232)	**(63,232)**	26,488	(42,562)	**(79,306)**
Financing Reserve	**(4,596)**	2,440	-	(2,156)	**(2,156)**	1,889	(82)	**(349)**
Service Specific Reserves	**(17,663)**	17,293	(3,242)	(3,612)	**(3,612)**	7,130	(2,988)	**530**
Total	**(173,434)**	87,705	(44,812)	(130,541)	**(130,541)**	72,145	(110,028)	**(168,424)**
School Reserves								
Schools - Balances	**(5,078)**	7,358	(1,033)	1,247	**1,247**	1,659	-	**2,906**
Schools - Other	**(526)**	73	(35)	(488)	**(488)**	172	(61)	**(377)**
Total Schools	**(5,604)**	7,431	(1,068)	759	**759**	1,831	(61)	**2,529**
HRA								
HRA General Reserve	**(101,576)**	2,781	-	(98,795)	**(98,795)**	27,497	-	**(71,298)**
Major Repairs Reserve	**(12,902)**	92,643	(89,742)	(10,001)	**(10,001)**	32,894	(33,242)	**(10,349)**
HRA Earmarked Reserves	**(655)**	-	-	(655)	**(655)**	-	(176)	**(831)**
Total HRA Reserves	**(115,133)**	95,424	(89,742)	(109,451)	**(109,451)**	60,391	(33,418)	**(82,478)**
Capital Reserves								
Capital Receipts	**(4,362)**	36,631	(39,399)	(7,131)	**(7,131)**	6,663	(14,103)	**(14,571)**
Capital Grants Unapplied	**(100,858)**	14,051	(18,160)	(104,967)	**(104,967)**	57,420	(16,354)	**(63,901)**
Total Usable Capital Reserves	**(105,220)**	50,682	(57,559)	(112,098)	**(112,098)**	64,083	(30,457)	**(78,472)**
TOTAL USABLE RESERVES	**(439,466)**	**266,235**	**(207,624)**	**(380,855)**	**(380,855)**	**209,156**	**(179,715)**	**(351,414)**

19 Property, Plant and Equipment Movements in 2023/24

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.

	Council Dwellings	Other Land & Buildings	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
Cost or Valuation										
At 1 April 2023	**1,949,186**	**714,734**	**105,066**	**8,513**	**41,924**	**26,024**	**2,845,447**	**-**	**2,845,447**	**29,320**
Additions	65,845	18,840	9,756	391	65,851	-	160,683	32,333	193,016	-
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	(99,175)	(206)	-	-	261	217	(98,903)	-	(98,903)	(732)
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(54,966)	-	-	2	(60)	(55,024)	-	(55,024)	(519)
Derecognition - Disposals	(6,161)	(994)	-	-	-	(118)	(7,273)	-	(7,273)	-
Assets reclassified to / from Held for Sale	-	(15)	-	-	-	-	(15)		(15)	-
Assets reclassified to / from Investment	-	-	-	-	(7,183)	-	(7,183)	-	(7,183)	-
Assets reclassified to / from PPE	6,162	26,887	-	(3)	(34,587)	1,541	-	-	-	-
Assets reclassified to / from Inventory					(2,301)		(2,301)		(2,301)	
At 31 March 2024	**1,915,857**	**704,280**	**114,822**	**8,901**	**63,967**	**27,604**	**2,835,431**	**-**	**2,835,431**	**28,069**
Accumulated Depreciation and Impairment										
At 1 April 2023	**(14,852)**	**(20,455)**	**(55,305)**	**(638)**	**(31)**	**(125)**	**(91,406)**	**-**	**(91,406)**	**(363)**
Depreciation Charge	(32,348)	(21,783)	(7,992)	-	(1)	(340)	(62,464)	(12,242)	(74,706)	(726)
Depreciation written out to Revaluation Reserve	30,976	20,391	-	-	9	537	51,913	-	51,913	732
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-	-
Derecognition - Disposals	50	30	-	-	-	-	80	-	80	-
Other movements in depreciation and Impairment	1	149	71	(73)	23	(171)	-		-	-
At 31 March 2024	**(16,173)**	**(21,668)**	**(63,226)**	**(711)**	**-**	**(99)**	**(101,877)**	**-**	**(114,119)**	**(357)**
Balance Sheet at 31 March 2024	**1,899,684**	**682,612**	**51,596**	**8,190**	**63,967**	**27,505**	**2,733,554**	**348,007**	**3,081,561**	**27,712**
Balance Sheet at 1 April 2023	**1,934,333**	**694,279**	**49,761**	**7,875**	**41,893**	**25,899**	**2,754,040**	**327,917**	**3,081,957**	**28,957**

Property, Plant and Equipment Comparative movements in 2022/23

	Council Dwellings	Other Land & Buildings	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
Cost or Valuation										
At 1 April 2022	**1,960,283**	**684,821**	**99,232**	**8,614**	**34,539**	**29,587**	**2,817,076**	**-**	**2,817,076**	**27,715**
Additions	44,110	15,259	8,242	404	56,637	1,398	126,050	32,516	158,566	-
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	(41,346)	5,021	-	(189)	-	(1,091)	(37,605)	-	(37,605)	(676)
Revaluation Increases / (decreases) / Impairment loss recognised in the Surplus / Deficit on the Provision of Services	-	(12,051)	-	(316)	(22,457)	152	(34,672)	-	(34,672)	2,281
Derecognition – Disposals	(14,229)	(9,334)	(2,408)	-	-	(215)	(26,186)	(9,887)	(36,073)	-
Assets reclassified (to) / from Held for Sale	-	-	-	-	-	(426)	(426)		(426)	-
Assets reclassified (to) / from Investment	-	-	-	-	820	426	1,246	-	1,246	-
Assets reclassification within PPE	368	31,018	-	-	(27,615)	(3,807)	(36)	37	1	-
									-	
At 31 March 2023	**1,949,186**	**714,734**	**105,066**	**8,513**	**41,924**	**26,024**	**2,845,447**	**-**	**2,845,447**	**29,320**
Accumulated Depreciation and Impairment										
At 1 April 2022	**(15,094)**	**(17,716)**	**(47,129)**	**(564)**	**(179)**	**(126)**	**(80,808)**	**-**	**(80,808)**	**(335)**
Depreciation Charge	(29,704)	(21,153)	(8,673)	(74)	-	(245)	(59,849)	(11,829)	(71,678)	(704)
Depreciation written out to Revaluation Reserve	29,844	11,353	-	-	-	-	41,197	-	41,197	-
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	6,805	-	-	-	238	7,043	-	7,043	676
Derecognition - Disposals	101	411	497	-	-	-	1,009	-	1,009	-
Other movements in depreciation and Impairment		(155)	-	-	148	8	1		1	-
At 31 March 2023	**(14,853)**	**(20,455)**	**(55,305)**	**(638)**	**(31)**	**(125)**	**(91,407)**	**-**	**(91,406)**	**(363)**
Balance Sheet at 31 March 2023	**1,934,333**	**694,279**	**49,761**	**7,875**	**41,893**	**25,899**	**2,754,040**	**327,917**	**3,081,957**	**28,957**
Balance Sheet at 1 April 2022	**1,945,189**	**667,105**	**52,103**	**8,050**	**34,360**	**29,461**	**2,736,268**	**317,080**	**3,053,348**	**27,380**

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 2024 the Council had entered several contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contract commitments of £98m (£60m in 2022/23).

Significant contractual commitments outstanding at 31 March 2024 were as follows:

		£m
New Housing Provision - Romney House	One Lockleaze LLP	22.6
New Housing Provision - Brentry, Brunel Ford & Cedar House	Vistry Homes Ltd t/a Vistry Partnerships West Ltd	14.6
New Housing Provision - Accelerated Housing Development Programme (AHDP)	Edaroth Ltd	9.8
Sports improvements to Leisure Centre facilities	Sports & Leisure Management Ltd	8.0
Energy efficiency measures deliverable to domestic (low income) homes	Ameresco Ltd	6.5
New Housing Provision - Lawrence Weston (Oakhanger)	Willmott Dixon Construction Ltd	5.8
Council Housing - Refurbishment - Walwyn Gardens & Northfield House	Synergize Ltd	4.8
Temple Island remediation and enabling works	Sanctus Ltd	4.1
Council Housing - Refurbishment - Bishport 5 (High Rise Blocks)	Rateavon Ltd	3.0
New Housing Provision - Marshall Walk (Inns Court)	Zed Pods Ltd	2.7
Hengrove Park housing development - transport junction improvements	ETM Contractors Ltd	2.5
Transport LED replacement lighting programme	Centregreat Ltd	2.2
Transport segregated cycle lane improvements - Park Row	South West Highways Ltd t/a Taylor Woodrow infrastructure Ltd	2.2
New Housing Provision - New Kingsland	Stepnell Ltd	2.0
New Housing Provision - 96-98 West Street	E.W. Beard Ltd	1.8
Temple Meads regeneration - Northern entrance & Southern gateways	Arcadis LLP	1.7
Cattle Market Road development - Harbour Walkway	Knights Brown Construction Ltd	1.7
Bedminster Green regeneration - transport active travel & bus improvements	E T M Contractors Limited	1.1
Council Housing - Damp & Mould condition surveys	Constellia Public Ltd	1.0
	Total	**98.1**

Revaluations

The Council carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at current value is revalued at least every 5 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 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	Vehicles, Plant, etc	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Carried at historical cost	-	**45,065**	**114,822**	**63,000**	**1,942**	**224,829**
01 Oct 2023	**1,915,857**	596,529	-	967	25,664	**2,539,017**
01 Oct 2022	-	11,199	-	-	-	**11,199**
01 Oct 2021	-	16,290	-	-	-	**16,290**
01 Oct 2020	-	26,379	-	-	-	**26,379**
01 Oct 2019	-	8,818	-	-	-	**8,818**
Total cost valuation	**1,915,857**	**704,280**	**114,822**	**63,967**	**27,606**	**2,826,532**

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 £51.7m, primarily relating to Council Dwellings (£41.8m), Land & Buildings (£9.8m) and Surplus Assets (£0.1m).

Impairments

Impairment losses on property, plant and equipment are recognised in accordance with International Accounting Standard (IAS) 36 where the recoverable amount of the asset concerned has fallen below the carrying amount. For the year ended 31 March 2024, the Authority recorded an impairment charge of £21.7 million within the classification of Land and Buildings within Property Plant and Equipment relating to the investment in the Bristol Beacon, a music venue in central Bristol that will bring economic growth to the City. This expenditure is above the estimated assets recoverable amount that is derived from the existing lease arrangements which has resulted in the impairment loss.

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					
01 April 2023	133,153	42,344	7,675	32,084	215,256
Additions	-	-	-	-	-
Revaluations	818	-	-	182	1,000
31 March 2024	**133,971**	**42,344**	**7,675**	**32,266**	**216,256**
Cost or valuation					
01 April 2022	133,153	42,344	7,675	32,084	215,256
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
31 March 2023	**133,153**	**42,344**	**7,675**	**32,084**	**215,256**

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 (£16.6m), geology (£8.4m), Furniture & Books (£2.7m), 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:

	2023/24 £'000	2022/23 £'000
Rental income from Investment Property	(12,558)	(12,300)
Direct operating expenses arising from Investment Property	1,904	1,884
Net gain	**(10,654)**	**(10,416)**

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:

	2023/24 £'000	2022/23 £'000
Balance at start of the year	282,169	356,640
Additions – purchases	-	-
Disposals	(195)	(47)
Net gains/ (losses) from current value adjustments	26,434	(73,179)
Transfers (to)/from Property, Plant and Equipment	7,183	(1,245)
Balance at end of the year	**315,591**	**282,169**

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)	
	2023/24 £'000	2022/23 £'000
Retail	74,882	68,963
Industrial	184,169	153,232
Office	56,540	59,974
Balance at end of the year	**315,591**	**282,169**

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.

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 £4.7m charged to revenue in 2023/24 was charged to the central ICT cost centre and the Housing Revenue Account. 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. The purchases relate to system improvements which commenced in 2022/23, the Corporate Telephony system is part of the Digital Transformation Programme (DTP) and the Housing Management System is part of the Housing Transformation Programme within the HRA.

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

	2023/24 £'000	2022/23 £'000
Balance at start of the year		
Gross carrying amounts	44,288	43,294
Accumulated amortisation	(31,415)	(26,289)
Accumulated impairment	(2,014)	(2,014)
Net carrying amount at start of year	10,859	14,991
Additions:		
Purchases	2,000	994
Amortisation for the period	(4,667)	(5,126)
Net carrying amount at the end of year	**8,192**	**10,859**
Comprising:		
Gross carrying amounts	46,288	44,288
Accumulated amortisation	(36,082)	(31,415)
Accumulated impairment	(2,014)	(2,014)
Balance at end of the year	**8,192**	**10,859**

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 2024	31-Mar 2023	31-Mar 2024	31-Mar 2023
	£'000	£'000	£'000	£'000
Financial Liabilities at Amortised cost				
Borrowing	(470,488)	(445,488)	(30,096)	(4,764)
Service Concessions	(99,567)	(108,815)	(9,745)	(9,815)
Creditors	(98)	(94)	(202,023)	(191,358)
Cash & Cash Equivalents			(9,939)	(31,117)
Total Financial Liabilities	**(570,153)**	**(554,397)**	**(251,803)**	**(237,054)**
Financial Assets at amortised cost				
Investments	-	-	258	45,697
Debtors*	21,398	21,974	143,877	119,645
Financial Assets at Fair Value through Other Comprehensive Income				
Investment	350	350	-	-
Financial Assets at Fair Value through profit and loss				
Investments	53,781	44,715	68,096	71,409
Total Financial Assets	**75,529**	**67,039**	**212,231**	**236,751**

Debtors include a £5.1m loan to Bristol Waste and a £15.1m loan to Goram Homes Limited as per note 38 Related Parties.

Movements

The increase in financial liabilities, circa £31m relates to (£50m) of new PWLB Loans to support funding of the capital programme , an increase in the value of general creditors (£11m), a repayment of PFI Liabilities (£9m) and (£21m) bank overdraft.

The financial assets decreased by circa £15m primarily through a combination of decreases in working capital by the use of cash to support the financing of the capital programme, the payment of creditors and utilisation of reserves resulting in a reduction of resources to invest.

Borrowing

Current borrowing	31 March 2024 £'000	31 March 2023 £'000
Deposit loans (repayable at notice - up to 7 days)	98	168
Cash & Cash Equivalents -Bank Overdraft	9,939	31,117
- Public Works Loan Board	28,568	3,179
- Banks and other monetary sector	1,151	1,138
- Energy improvement Loans	259	259
- Local bonds and Stocks	21	21
Total	**40,035**	**35,882**

Non-current borrowing	31 March 2024 £'000	31 March 2023 £'000
Public Works Loan Board	350,439	325,439
Lender Option Borrower Option (Lobo)	70,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
Total	**470,488**	**445,488**

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 2023/24

	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	(38,712)	-	-	-	(38,712)
Total expense in Surplus or Deficit on the Provision of Services	**(38,712)**	**-**	**-**	**-**	**(38,712)**
Interest Income	-	5,501	-	3,970	9,471
Fair Value Movement	-	-	-	9,456	9,456
Dividend Income	-	-	-	2,853	2,853
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(38,712)**	**5,501**	**-**	**16,279**	**(16,932)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(38,712)**	**5,501**	**-**	**16,279**	**(16,932)**

Financial Instruments Gains and Losses 2022/23

	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	(36,993)	-	-	-	(36,993)
Total expense in Surplus or Deficit on the Provision of Services	**(36,993)**	**-**	**-**	**-**	**(36,993)**
Interest Income	-	6,701	-	1,851	8,552
Fair Value Movement	-	-	-	(1,696)	(1,696)
Dividend Income	-	-	-	2,368	2,368
Total income in Surplus or Surplus / Deficit on the Provision of Services	**(36,993)**	**6,701**	**-**	**2,523**	**(27,769)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**-**	**-**	**-**
Net gain/(loss) for the year	**(36,993)**	**6,701**	**-**	**2,523**	**(27,769)**

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.

Descriptions	Fair value measurements at 31 March 2024 using:			Fair value measurements at 31 March 2023 using:		
	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	68,096	-	-	71,409	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	35,000	-	-	24,000
Bristol Holdings (unquoted equity investment)	-	-	5,941	-	-	7,059
Other unquoted private companies	-	-	90	-	-	180
Pooled property fund	-	-	12,750	-	-	13,476
Fair Value through Other Comprehensive Income						
Other unquoted private companies	-	-	350	-	-	350
Total Non-traded securities:	**68,096**	**-**	**54,131**	**71,409**	**-**	**45,065**
Investment properties	**-**	**315,591**	**-**	**-**	**282,169**	**-**
Surplus properties	**-**	**27,507**	**-**	**-**	**25,900**	**-**
Total recurring fair value measurements	**68,096**	**343,098**	**54,131**	**71,409**	**308,069**	**45,065**
Non-recurring fair value measurements						
Assets held for sale	-	1,232	-	-	1,232	-
Total non-recurring fair value measurements	**-**	**1,232**	**-**	**-**	**1,232**	**-**

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 21)	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 2024 and refreshed by Council officers 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 2024.	Valuations could be affected by the difference between audited and unaudited accounts

Investments in other 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 (£440k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Fund	Level 3	These investments have been valued at the Council's share within the pooled funds.	The valuation for Pooled Property Funds have been based on the latest quarterly financial report (31st December 2024).	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 £92k 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 2024 Non-traded securities £'000	31 March 2023 Non-traded securities £'000
Opening balance	**45,065**	**44,287**
Total gains/(losses) for the period: included in the Financing and investment income and expenditure	9,456	(1,696)
Total gains/(losses) for the period: included in the Cost of services	(90)	-
Total gains/(losses) for the period:	**9,366**	**(1,696)**
Disposals	**(300)**	**-**
Additions	-	2,474
Closing balance	**54,131**	**45,065**

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 (+£11m), Resonance Property Fund (-£400k), Avon Mutual Regional Community Bank (-£90k), Resonance Temporary Accommodation Property Fund (-£325k) and Bristol Holdings (-£1,117k).

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 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Cash & Cash Equivalents	9,939	9,939	31,117	31,117
Public Works Loan Board (PWLB)	379,007	351,300	328,618	325,000
Lender Option Borrower Option	70,678	58,700	70,668	64,800
Market Debt	50,474	42,500	50,470	46,500
Service Concessions	109,310	131,813	118,630	147,709
Other	524	524	590	590
Total Liabilities	**619,932**	**594,777**	**600,094**	**615,716**

The Authority has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £855m an increase of £58m 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 higher 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 2024) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 March 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Current investments	-	-	40,343	40,343
Cash and Cash Equivalents	258	258	5,355	5,355
Non-current investments	-	-	1	1
Non-current debtors	21,398	21,398	21,974	21,974
Total Financial Assets	**21,656**	**21,656**	**67,672**	**67,672**

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 2024 using: Quoted prices in active markets Level 1 £'000	Observable inputs Level 2 £'000	Unobservable inputs Level 3 £'000	Fair value measurements at 31 March 2023 using: Quoted prices in active markets Level 1 £'000	Observable inputs Level 2 £'000	Unobservable inputs Level 3 £'000
Recurring fair value measurements using: Financial Liabilities held at Amortised Cost						
Cash & Cash Equivalent	-	9,939	-	-	31,117	-
Public Works Loan Board (PWLB)	-	379,007	-	-	328,618	-
Lender Option Borrower Options	-	70,678	-	-	70,668	-
Market debt	-	50,474	-	-	50,470	-
Service Concessions	-	109,310	-	-	118,630	-
Other	-	524	-	-	590	-
Total	**-**	**619,932**	**-**	-	**600,094**	-
Financial Assets held at amortised cost						
Current Investments	-	-	-	-	40,343	-
Cash and Cash Equivalents	-	258	-	-	5,355	-
Non-current Investments	-	-	-	-	1	-
Non-current Debtors	-	21,398	-	-	21,974	-
Total	**-**	**21,656**	**-**	-	**67,672**	-

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 21 February 2023 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 2024 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-Mar-24**	**31-Mar-24**	**31-Mar-24**	**31-Mar-24**	**31-Mar-23**
Non-traded securities	-	0.00%	0.00%	-	-
Sub-total	**-**			-	-
Current Investments:					
Local Authorities	160	0.00%	0.00%	-	-
AA rated counterparties	80	0.02%	0.02%	-	4
A rated counterparties	17	0.05%	0.05%	-	7
Sub-total	**258**			**-**	**11**
Trade debtors	**143,877**			-	-
Non-current debtors	**21,398**			-	-
Total Financial assets	**165,533**			**-**	**11**

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31st March 24.

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 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-Mar-24 £'000	Allowance for credit losses at 31-Mar-24 £'000	Net debtor at 31-Mar-24 £'000	Net debtor at 31-Mar-23 £'000
Local taxpayers	57,194	(36,470)	**20,724**	**21,543**
Housing rents	15,191	(11,076)	**4,115**	**3,240**
Other - sundry debtors	215,669	(36,332)	**179,337**	**143,361**
Total Other Entities and Individuals	**288,054**	**(83,878)**	**204,176**	**168,144**
Central Government bodies	23,334	-	**23,334**	**12,214**
Other local authorities	1,391	-	**1,391**	**1,448**
NHS bodies	1,592	-	**1,592**	**1,115**
Total debtors	**314,371**	**(83,878)**	**230,493**	**182,921**
Balance sheet debtors	**314,371**	**(83,878)**	**230,493**	**182,921**
Current debtors not qualifying as a financial instrument under IFRS	(123,088)	36,470	**(86,618)**	**(63,275)**
Current debtors qualifying as a financial instrument under IFRS	**191,283**	**(47,408)**	**143,875**	**119,646**

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 2024 £'000	31 March 2023 £'000
Less than three months	**38,246**	28,800
Three to four months	**3,613**	4,125
Four months to one year	**18,302**	18,446
More than one year	**53,483**	55,172
Total	**113,644**	**106,543**

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 March 2024 £'000	31 March 2023 £'000
Less than 1 year	212,231	236,751
Between 1 and 2 years	1,712	1,712
Between 2 and 3 years	1,738	1,738
More than 3 years	72,079	60,103
Total	**287,760**	**300,304**

The maturity analysis of financial liabilities is as follows:

	31 March 2024 £'000	31 March 2023 £'000
Less than 1 year	251,803	237,072
1 - 2 Years	69,093	28,111
2 - 5 Years	66,631	72,197
5 - 10 Years	42,941	55,178
10+ Years	391,488	398,894
Total	**821,956**	**791,452**

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 2024 £'000	%	Actual 31 March 2023 £'000	%
Less than 1 year	-	30	30,096	6%	4,764	1%
Between 1 and 2 years	-	40	45,000	9%	5,000	1%
Between 2 and 5 years	-	40	34,000	7%	44,000	10%
Between 5 and 10 years	-	50	-	-	5,000	1%
More Than 10 Years	25	100	391,488	78%	391,488	87%
Total			**500,584**	**100%**	**450,252**	**100%**

Included within the maturity profile are £70m of LOBOS with maturities averaging 37 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 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31-Mar 2024 £'000
Increase in interest receivable on variable rate investments	1,003
Impact on Surplus or Deficit on the Provision of Services	1,003
Share of overall impact debited to the HRA	1,664
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)	139,500

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 2023/24 the Council received monies denominated in Euro's 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.

	2023/24 £'000	2022/23 £'000
Opening Capital Financing Requirement	939,876	914,134
Capital investment		
Property, Plant and Equipment	193,016	158,566
Investment Properties	-	-
Heritage Assets	-	-
Intangible Assets	2,000	994
Long Term Investments / Debtors	1,000	2,740
Revenue Expenditure Funded from Capital under Statute	48,859	34,551
Sources of finance		
Capital Receipts set aside for repayment of debt	(1,716)	(11,718)
Capital receipts	(55,646)	(24,913)
Government grants and other contributions	(90,648)	(83,328)
Capital Grants Unapplied	(1,534)	4,533
Sums set aside from revenue:		
· Direct revenue contributions	(21,785)	(4,778)
· Use of Major Repairs Reserve	(32,894)	(33,383)
· MRP – City Council Debt	(22,137)	(17,522)
Closing Capital Financing Requirement	**958,391**	**939,876**
Explanation of movements in year		
Less Minimum Revenue Provision	(22,137)	(17,521)
Use of capital receipt for repayment of debt	(1,716)	(11,718)
Increase in underlying need to borrowing (unsupported by government financial assistance)	42,368	54,983
Increase in Capital Financing Requirement	**18,515**	**25,744**

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 March 2024 £'000	31 March 2023 £'000
Not later than one year	15,052	14,294
Later than one year and not later than five years	53,385	48,999
Later than five years	896,667	891,120
	965,104	**954,413**

The minimum lease payments receivable at 31 March 2024 and 2023 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.

27 Service Concessions

Schools PFI Phase 1A

On 31st 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 2024 cumulative payments totalling £183m (£171m in 2022/23) 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
2024/25	3,473	2,785	3,292	1,581	11,131
2025/26 to 2028/29	14,782	14,052	9,567	3,617	42,018
2029/30 to 2031/32	9,513	11,148	2,325	2,063	25,049
Total	**27,768**	**27,985**	**15,184**	**7,261**	**78,198**

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 2024 cumulative payments totalling £278m (£255m in 2022/23) 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
2024/25	6,004	3,940	4,743	7,077	21,765
2025/26 to 2028/29	25,810	19,263	15,679	28,324	89,076
2029/30 to 2033/34	36,649	35,639	9,844	33,845	115,978
2034/35	3,097	2,755	212	3,493	9,557
Total	**71,561**	**61,597**	**30,478**	**72,739**	**236,376**

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 2024 payments totalling £43m (£39m at 31 March 2023) 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
2024/25	384	477	1,157	1,578	3,596
2025/26 to 2028/29	1,595	2,698	4,074	6,218	14,585
2029/30 to 2033/34	2,274	4,457	3,273	8,718	18,722
2034/35 to 2036/37	1,446	3,509	735	5,596	11,286
Total	**5,699**	**11,141**	**9,239**	**22,110**	**48,189**

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 schools budget, the overall schools 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	
	2023/24	2022/23	**2023/24**	2022/23
	£'000	£'000	**£'000**	£'000
Balance outstanding at the start of year	96,265	102,555	11,618	12,115
Movement in year	(6,684)	(6,290)	(477)	(497)
Balance outstanding at year end	**89,581**	**96,265**	**11,141**	**11,618**

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 2023/24 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.

During the year Bristol Waste acquired £2.6m of assets to support the provision of waste services.

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

Year	**Payment for Services**	**Repayment of Liability**	**Interest**	**Total**

	£'000	£'000	£'000	£'000
2024/25	41,044	2,542	414	44,000
2025/26 to 2026/27	53,605	6,048	747	60,400
Total	**94,649**	**8,590**	**1,161**	**104,400**

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

	Schools		Hengrove Leisure		Bristol Waste Contract		Total	
	2023/24 £'000	2022/23 £'000	**2023/24 £'000**	2022/23 £'000	**2023/24 £'000**	2022/23 £'000	**2023/24 £'000**	2022/23 £'000
Balance outstanding at the start of year	96,265	102,555	11,618	12,115	10,746	10,669	118,629	125,339
Movement in year	(6,684)	(6,290)	(477)	(497)	(2,156)	77	(9,317)	(6,710)
Balance outstanding at year end	**89,581**	**96,265**	11,141	**11,618**	**8,590**	**10,746**	**109,312**	**118,629**

28 Debtors

i	**Current debtors**	**31 March 2024 £'000**	**31 March 2023 £'000**
	Trade receivables	33,994	27,822
	Prepayments	11,750	7,748
	VAT	14,966	12,502
	Other	169,784	134,849
	Total	**230,494**	**182,921**

Impairments for doubtful debts are detailed in Note 24.

ii	**Long-term debtors**	**31 March 2024 £'000**	**31 March 2023 £'000**
	Mortgages	190	190
	Capital loans (Probation/Fire/LEP/Bristol Waste)	21,050	21,535
	South Gloucestershire Council	327	327
	Former county Council debt	33,343	34,734
	Total	**54,910**	**56,786**

29 Inventories

	31 March 2024 £'000	31 March 2023 £'000
Stock	3,374	2,356
Total	**3,374**	**2,356**

30 Cash and Cash Equivalents

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

	31 March 2024 £'000	31 March 2023 £'000
Cash held by the Council	254	253
Bank current accounts	(9,939)	(31,118)
Short-term deposits with banks / building societies	68,100	76,511
Total Cash and Cash Equivalents	**58,415**	**45,646**

31 Creditors

Current liabilities	31 March 2024 £'000	31 March 2023 £'000
Trade payables	51,121	34,746
Other payables	162,184	158,255
Receipts in advance	15,361	20,308
Total	**228,666**	**213,309**

Other long-term liabilities	31 March 2024 £'000	31 March 2023 £'000
Service Concession contract liabilities (see Note 27)	99,567	108,815
Retirement benefit obligations (see Note 34)	234,807	342,483
Deferred liabilities	34,734	36,182
Rent Deposits	99	94
Total	**369,207**	**487,574**

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 the 31 March 2024 the liability in the Council's Balance Sheet of £34.7m (2023: £36.2m) comprised of former county Council loan debt.

32 Provisions

	Balance at 31 March 2023	Additional provisions made in 2023/24	Amounts used in 2023/24	Balance at March 2024	Due < 1 year	Due > 1 year
	£'000	£'000	£000	£'000	£'000	£'000
Business Transformation	(20)	(58)	20	(58)	(58)	
Succession Planning	(575)	-	200	(375)	(375)	-
Insurance fund	(1,729)	(1,270)	1,159	(1,840)	(1,318)	(522)
NDR Provision for appeals	(24,452)	(9,780)	11,769	(22,463)	(10,000)	(12,463)
Legal	(498)	-	-	(498)	(498)	-
Pay Award	(149)	-	149	-	-	-
Other	(306)	(30)	-	(336)	-	(336)
	(27,729)	**(11,138)**	**13,297**	**(25,570)**	**(12,249)**	**(13,321)**
Due < 1 year	(12,480)			(12,249)		
Due > 1 year	(15,249)			(13,321)		
	(27,729)			**(25,570)**		

Details of the provisions are shown in the table below:

Provision	Purpose
Business Transformation	Covered exit costs arising from the Council's restructure proposals. This provision has been unutilised in year.
Succession Planning	Covers the cost of exit 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
Solbury pay award	Covers the cost of backdated pay award yet to be settled.
Other	Other provisions are individually not material

33 Unusable Reserves

	31 March 2024	31 March 2023
	£'000	£'000
Revaluation Reserve	(1,107,261)	(1,177,707)
Capital Adjustment Account	(1,618,127)	(1,525,687)
Financial Instruments Adjustment Account	6,365	6,543
Deferred Capital Receipt Reserve	(10,026)	(10,026)
Pensions Reserve	244,091	342,482
Collection Fund Adjustment Account – Council tax	(3,678)	(1,745)
Collection Fund Adjustment Account – NNDR	(4,662)	(1,747)
Accumulated Absences Account	9,259	9,436
Dedicated Schools Grant Adjustment Account	39,682	39,682
	(2,444,356)	(2,318,769)

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.

	2023/24	2023/24	2022/23	2022/23
	£'000	£'000	£'000	£'000
Balance at 1 April		(1,177,707)		(1,199,657)
Upward revaluation of assets	(63,909)		(33,661)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	109,899		30,069	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		45,990		(3,592)
Amount written off to the Capital Adjustment Account		24,456		25,542
Balance at 31 March		**(1,107,261)**		**(1,177,707)**

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 25 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2023/24	2022/23
	£'000	£'000
Balance at 1 April	(1,525,686)	(1,579,816)
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	74,706	71,679
Revaluation losses on Property, Plant and Equipment	55,448	27,628
Amortisation of Intangible Assets	4,666	5,126
Movement in the fair value of financial Instruments	(9,456)	1,594
Revenue Expenditure Funded from Capital Under Statute	48,859	34,551
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	8,869	35,108
	(1,342,593)	(1,404,130)
Adjusting amounts written out of the Revaluation Reserve	(24,456)	(25,542)
Net written out amount of the cost of non-current assets consumed in the year	(1,367,049)	(1,429,672)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	(55,646)	(24,913)
Use of the Major Repairs Reserve to finance new capital expenditure	(32,894)	(33,383)
Use of the Capital Grants Unapplied to finance new capital expenditure	(1,534)	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(90,648)	(78,795)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(22,137)	(17,522)
Use of the Capital Receipts Reserve for repayment of Long-Term Investments financed by borrowing	(1,716)	(11,718)
Long Term Capital Investment repaid	1,716	1,915
Capital expenditure charged against the General Fund and HRA balances	(21,784)	(4,778)
	(1,591,693)	(1,598,866)
Movements in the market value of Investments debited or credited to the Comprehensive Income and Expenditure Statement	(26,434)	73,179
Balance at 31 March	**(1,618,127)**	**(1,525,687)**

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 2024 will be charged to the General Fund over the next 37 years.

	2023/24	2023/24	2022/23	2022/23
	£'000	£'000	£'000	£'000
Balance at 1 April		6,543		6,721
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	(178)		(178)	
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		(178)		(178)
Balance at 31 March		**6,365**		**6,543**

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.

	2023/24	2022/23
	£'000	£'000
Balance at 1 April	(10,026)	(12,851)
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the comprehensive income and expenditure statement	-	-
Transfer to the capital receipts reserve upon receipt of cash	-	2,825
Balance at 31 March	**(10,026)**	**(10,026)**

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.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	342,482	1,053,585
Remeasurements on pensions assets and liabilities	(99,795)	(777,958)
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	54,891	118,865
Employer's pensions contributions and direct payments to pensioners payable in year	(53,487)	(52,010)
Balance at 31 March	**244,091**	**342,482**

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.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(3,492)	49,185
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	(4,848)	(52,677)
Balance at 31 March	**(8,340)**	**(3,492)**

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.

	2023/24 £'000	2023/24 £'000	2022/23 £'000	2022/23 £'000
Balance at 1 April		**9,436**		**10,108**
Settlement or cancellation of accrual made at the end of the preceding year	(9,436)		(10,108)	
Amounts accrued at the end of the current year	9,259		9,436	
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		(177)		(672)
Balance at 31 March		**9,259**		**9,436**

Dedicated Schools Grant Adjustment Account

Regulations effective from 1st April 2020 require that a Schools Budget deficit must be carried forward to be funded from future Dedicated Schools Grant (DSG) income, unless permission is sought from the Secretary of State for Education to fund the deficit from the General Fund. They also require that where a local authority has a deficit on its Schools Budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, it must not charge the amount of that deficit to a revenue account, but instead record any such deficit in a separate account. The Dedicated Schools Grant Adjustment Account has been created for that purpose and the in-year deficit for 2020/21 and cumulative deficit brought forward as at 1st April 2020 have been transferred into that account. Prior to 2020/21 this was treated as a useable reserve. Further details on the deployment of DSG are provided in Note 15.

	2023/24 £'000	2022/23 £'000
Balance at 1 April	39,682	24,650
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	-	15,032
Balance at 31 March	**39,682**	**39,682**

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 2023/24 was 24.33% resulting in a total payment of £11.457m (£10.991m in 2022/23) to the Teachers' Pension Agency. In addition, the Council made payments totalling £2.762m (£2.533m in 2022/23) 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 £1.548m (£1.511m in 2022/23). 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 2023/24 a total payment of £0.434m (£0.434m in 2022/23) 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	
	2023/24 £'000	2022/23 £'000	**2023/24 £'000**	2022/23 £'000
Income and Expenditure Account				
Net cost of services				
Current service cost	**39,094**	**88,577**	**-**	-
Past service gains/curtailment costs/Settlements	**564**	**817**	**-**	-
Administration expense	**1,374**	**1,329**	**-**	-
Financing and Investment Income Expenditure				
Net interest cost	**11,628**	**26,465**	**2,231**	**1,677**
Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services	**52,660**	**117,188**	**2,231**	**1,677**
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
Remeasurements (assets/liabilities)	**(99,503)**	**(766,115)**	**(293)**	**(11,842)**
Movement in Reserves Statement				
Reversal of net charges made for retirement benefits in accordance with IAS19	**(52,660)**	**(117,188)**	**(2,231)**	**(1,677)**
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to scheme	**49,176**	**46,892**	**4,311**	**5,119**

The Housing Revenue Account (HRA) Income and Expenditure Account has also been adjusted in 2023/24 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	
	2023/24	2022/23	**2023/24**	2022/23	**2023/24**	2022/23	**2023/24**	2022/23
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
01-Apr	(2,159,443)	(3,014,839)	(24,893)	(32,708)	(47,689)	(61,899)	(2,232,025)	(3,109,446)
Current service cost	(39,094)	(88,577)	-	-	-	-	(39,094)	(88,577)
Interest on pension liabilities	(101,831)	(83,603)	(1,129)	(880)	(2,231)	(1,677)	(105,191)	(86,160)
Contributions by scheme participants	(14,942)	(14,766)	-	-	-	-	(14,942)	(14,766)
Remeasurement (liabilities)							-	-
Experience gain/(loss)	(21,786)	(214,674)	(217)	(1,800)	(421)	(4,277)	(22,424)	(220,751)
Gain/(loss) on financial assumptions	32,551	1,185,032	150	7,913	-	14,167	32,701	1,207,112
Gain/(loss) on demographic assumptions	29,480		339	-	714	1,952	30,533	1,952
Benefits paid	90,909	72,801	2,752	2,582	4,311	4,045	97,972	79,428
Past service grants, curtailment costs and settlements	(564)	(817)	-	-	-	-	(564)	(817)
31-Mar	**(2,184,720)**	(2,159,443)	**(22,998)**	(24,893)	**(45,316)**	(47,689)	**(2,253,034)**	(2,232,025)

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

	2023/24	2022/23
	£'000	£'000
01-Apr	1,889,646	2,062,706
Interest on plan assets	91,332	58,018
Remeasurement (assets)	58,986	(210,356)
Administration expense	(1,374)	(1,329)
Settlements	-	-
Employer contributions	58,460	41,224
Contributions by scheme participants	14,942	14,766
Benefits paid	(93,661)	(75,383)
31-Mar	2,018,331	1,889,646

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 £150.318m (2022/23 £152.338m).

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

	2023/24	2022/23	2021/22
	£'000	£'000	£'000
Present value of liabilities:			
Local Government Pension Scheme	(2,207,718)	(2,184,336)	(3,047,547)
Teachers' unfunded liabilities	(45,316)	(47,689)	(61,899)
Fair value of assets in the Local Government Pension Scheme	2,018,331	1,889,646	2,062,706
Surplus/(deficit) in the scheme:			
Local Government Pension Scheme	(189,387)	(294,690)	(984,841)
Teachers' unfunded liabilities	(45,316)	(47,689)	(61,899)
Total	(234,703)	(342,379)	(1,046,740)

The total liabilities shown in the Balance Sheet comprise the above (£234.703m) together with a small amount in respect of pre-1974 liabilities (£0.104m) totalling (£234.807m).

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 2024.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2023/24	**2022/23**	**2023/24**	**2022/23**
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	22	22.4	22	22.4
Women	24.1	24.4	24.1	24.4
Longevity at 75 for current pensioners:				
Men	-	-	13.5	13.8
Women	-	-	15.1	15.3
Longevity at 65 for future pensioners:				
Men	23.3	23.7	-	-
Women	25.8	26.4	-	-
		%		**%**
Rate for discounting scheme liabilities	4.9	4.8	4.9	4.9
Rate of inflation - CPI	2.7	2.7	2.7	2.7
Rate of increase in salaries	4.2	4.2	-	-
Rate of increase in pensions	2.8	2.8	2.8	2.8

The estimated Macaulay duration of liabilities (at later of 31 March 2024 or admission date) is 17 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 the 31 March 2024.

Impact on the Defined Benefit Obligation in the Scheme (LGPS)	**2023/24**	2022/23
	£'000	£'000
Longevity (increase or decrease by 1 year)	55,165	47,621
Rate of inflation (increase or decrease by 0.25%)	87,378	97,198
Rate of increase in salaries (increase or decrease by 0.25%)	12,168	11,657
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	(165,207)	(179,243)

Impact on the Defined Benefit Obligation in the Scheme (Teachers)	2023/24 £'000	2022/23 £'000
Longevity (increase or decrease by 1 year)	1,741	1,822
Rate of inflation (increase or decrease by 0.25%)	926	975
Rate of increase in salaries (increase or decrease by 0.5%)	(1,559)	(1,640)

Local Government Pension Scheme assets comprise

Asset Category	Sub-Category	Quoted (Y/N)	31 March 2024 £'000	31 March 2023 £'000
Equities	Global Quoted	Y	1,009,166	659,184
	Sub-total equities		**1,009,166**	**659,184**
Bonds	UK Government Indexed	Y	464,216	362,737
	Sterling Corporate Bonds	Y	181,650	168,027
	Sub-total bonds		**645,866**	**530,764**
Property	Property Funds	Y	104,953	124,414
	Sub-total property		**104,953**	**124,414**
Alternatives	Hedge Funds	Y	8,073	11,263
	Diversified Growth Funds	Y	129,173	118,972
	Infrastructure	Y	149,357	165,911
	Secured Income	Y	207,888	152,910
	EFT's	Y	2,018	45,276
	Private Debt	Y	70,642	45,200
	Sub-total alternatives		**567,151**	**539,531**
Cash and equivalents	Cash Accounts	Y	(308,805)	35,752
	Sub-total cash		**(308,805)**	**35,752**
Total Assets			**2,018,331**	**1,889,646**

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 2022 and is effective from 1 April 2023.

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 2025 are £44.652m. Expected contributions for the Teacher Pensions Scheme in the year to 31 March 2025 are £4.311m.

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.

35 Cash Flow Statement – Operating Activities

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

	2023/24 £'000	2022/23 £'000
Interest received	10,910	8,492
Interest paid	(38,782)	(37,865)
Dividends received	2,853	2,368

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

	2023/24 £'000	2022/23 £'000
Depreciation, impairment and downward revaluations	130,154	99,307
Amortisation	4,666	5,126
Increase/(decrease) in impairment for bad debt	1,383	239
(Decrease)/increase in creditors	3,673	(71,687)
(Increase)/decrease in debtors	(50,147)	(26,010)
(Increase)/decrease in inventories	(1,018)	24,622
Movement in pension liability	1,404	73,596
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	8,869	35,108
Other non-cash items charged to the net surplus or deficit on the provision of services	(37,553)	71,277
Net cash flows from non-cash movements	**61,431**	**211,578**

Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities:

	2023/24 £'000	2022/23 £'000
Any other items for which the cash effects are investing or financing cash flows	(101,156)	(78,795)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(14,580)	(34,659)
	(115,736)	**(113,453)**

36 Cash Flow Statement - Investing Activities

	2023/24 £'000	2022/23 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(187,552)	(154,776)
Purchase of short-term and long-term investments	(22,000)	(212,900)
Other (payments)/receipts for investing activities	(897)	(490)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	14,580	37,484
Proceeds from short-term and long-term investments	62,343	276,900
Other receipts from investing activities	114,259	72,000
Net cash flows from investing activities	**(19,266)**	**18,218**

37 Cash Flow Statement - Financing Activities

	2023/24 £'000	2022/23 £'000
Cash receipts of short- and long-term borrowing	50,005	1
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(9,699)	(9,272)
Repayments of short- and long-term borrowing	(1,522)	(6,626)
Council tax and NNDR adjustments	5,216	929
Net cash flows from financing activities	**43,999**	**(14,969)**

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 2023 /24 was £14k to Therapy Space Bristol Ltd.

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.

Name	**Nature of Council relationship**	**Transactions with the Council**	**Nature of transactions**	**Balances owed to /(from) the Council as at 31 3 2024**
Bristol Holdings Limited	100% subsidiary The Council has one Director post on the Board.	£6.2k recharges from BCC	Recharges	£307.9k preference share interest owed to BCC
Bristol Waste Company	100% subsidiary of Bristol Holding Limited The Council has one Director post on the Board.	£58m payments by Council to company £1.2m recharges from Company to Council	Contract for waste collection and recycling services Recharges	£6.7m loan from BCC for the acquisition of waste vehicles. £3m owed by the Council. £8.6m service concession contract
Goram Homes Ltd	100% subsidiary of Bristol Holdings Limited. The Council has one Director post on the Board.	Working capital facility £3.9m and £10.6m loan	Development of building projects	£10.6m loan
Bristol Energy & Technology Services (Supply) Limited	100% subsidiary of Bristol Holdings Limited The 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 Council has one Director posts on the Board.	None	N/A	Nil

Bristol Local Education Partnership (LEP) Ltd	BCC holding 10%, Building Schools for the Future Investments (Bristol) Ltd 10% and IIC Bristol Infrastructure Limited 80%. The Council has one director post on the board.	£4m payments to the company	Provision of ICT and construction services to schools in Bristol.	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
City Leap Energy Partnership Limited	100% owned subsidiary. The Council has one director post on the board. The Company is currently dormant.	None	N/A	Nil
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 1st 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 2023/24 is £10.235m (2022/23 £10.235m). There has been no change to the Council's assets or liabilities arising from the transfer of functions to WECA.

40 Contingent Liabilities

The prospective Bristol Arena operator has challenged the Councils termination of their Agreement for Lease in respect of the Arena on Temple Island and has claimed loss of profits, or costs, over the life of the potential lease. As at 31 March 2024, litigation proceedings had not commenced and no claims have been received.

There is an ongoing judicial review of the BCC decision to enter into the Safety Valve Agreement (SVA) with the Department for Education (DfE), which has provided significant funding on the basis of a deficit management plan. There is no financial remedy sought, but rather that the decision be quashed and reconsidered. There is a hearing in early to mid-December at which the High Court will decide the case.

Thurrock Council has recently begun legal action against 23 councils, including Bristol City Council, that 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.

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	2023/24 Net £'000	2022/23 Net £'000
Expenditure			
Repairs and maintenance		44,359	37,291
Supervision and management		45,432	38,191
Special services		12,880	14,799
Rent, rates, taxes and other charges		861	625
Depreciation and impairment of non-current assets	4	33,255	32,250
Debt management		45	34
Debt write offs and movement in the allowance for bad debts		2,282	1,555
Total expenditure		**139,113**	**124,745**
Income			
Dwelling rents	2	(123,996)	(116,324)
Non-dwelling rents		(1,025)	(1,041)
Charges for services and facilities		(11,338)	(9,814)
Contributions towards expenditure		(412)	(1)
Total income		**(136,771)**	**(127,180)**
Net cost of HRA services as included in the Comprehensive Income and Expenditure Statement		**2,342**	**(2,435)**
Net cost of HRA services		2,342	(2,435)
(Gain) on sale of HRA non-current assets		(3,510)	(7,443)
Movement in the Fair Value of Investment Properties		548	(894)
Interest payable and similar charges		11,402	11,450
HRA interest and investment income		(8,322)	(3,266)
Pensions interest costs and expected return on assets	5	1,596	3,115
Capital Grants and Contributions Receivable		(5,977)	(2,247)
(Surplus) for the year on HRA services		**(1,922)**	**(1,720)**

Statement of movement on the HRA Balance

	Note	31 March 2024 Net £'000	31 March 2023 Net £'000
HRA balance brought forward		(99,450)	(102,231)
(Surplus) for the year on the HRA Income and Expenditure Account		(1,922)	(1,720)
Adjustments between accounting basis and funding basis under statute		29,419	4,501
(Increase) before reserve transfers		**27,497**	**2,781**
Transfer from/to reserves		(176)	-
Net (increase) on HRA balance		**27,321**	**2,781**
HRA balance carried forward		**(72,129)**	**(99,450)**

Note to the statement of movement on the HRA Balance

	Note	31 March 2024 Net £'000	31 March 2023 Net £'000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year			
Depreciation and impairment of property, plant & equipment	4	(32,629)	(31,745)
Amortisation of Intangible Fixed Assets	4	(626)	(505)
Fair value movements on investment properties		(548)	894
Net charges made for retirement benefits in accordance with IAS19	5	(6,093)	(12,920)
Net gain/(loss) on disposal of assets		3,510	7,443
Capital Grants and Other Contributions	6	5,977	2,247
		(30,409)	**(34,586)**
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	21,167	3,487
Employer's contributions payable to the Avon Pension Fund and retirement benefits payable direct to pensioners	5	5,419	5,119
HRA depreciation to Major Repairs Reserve	8	33,242	30,482
Amortisation of premiums			
		59,828	**39,088**
Net additional amount required by statute to be debited or credited to the HRA Balance for the year		**29,419**	**4,502**

Notes to the Housing Revenue Account

1 Dwelling numbers as at 31 March 2024

	31 March 2024	31 March 2023
Houses	11,095	11,117
Bungalows	1,077	1,079
Flats	14,494	14,491
Total Dwellings held at 31 March	**26,666**	**26,687**

2 Rent and Rent Arrears

The total value of dwelling rents in 2023/24, less rent attributable to empty properties (voids), is £124m (£116.3m in 2022/23). The amount of rent arrears, including recoverable housing benefit, water charges, defect charges, etc are:

	31 March 2024 £'000	31 March 2023 £'000
Former tenants	3,611	2,976
Current tenants	11,580	9,937
	15,191	**12,913**
Balance Sheet Provision		
Former tenants	3,148	2,498
Current tenants	7,928	7,176
	11,076	**9,674**

Vacant Possession

The vacant possession value of dwellings as at 1st April 2024 was £5.56bn. The value of dwellings in the balance sheet (excluding dwellings leased to Registered Social Landlords) was £1.89bn, a difference of £3.67bn. 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 2023/24 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

	2023/24 £'000	2022/23 £'000
Depreciation		
Operational Assets - Dwellings	32,348	29,704
- Other, including leased	894	778
	33,242	**30,482**
Intangible Fixed Assets	626	505
Total depreciation	**33,868**	**30,987**
Revaluation (gain) losses	(613)	1,263
Total depreciation, Revaluation losses and impairment	**33,255**	**32,250**

There was a gain on revaluation of £0.6m charged to the surplus on provision of Services (2022/23: £1.3m loss).

5 HRA Share of Contributions to/from Pension Reserve

For 2023/24 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 £1.6m (2022/23 £3m). 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 £6.1m (2022/23 (£12.9m)). This is excluded from the HRA Balance for the year and replaced with Employers Contributions payable £5.4m (2022/23(£5.1m)) with the net movement on the Pension reserves of £0.66m (2022/23 £8.2m). 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	2023/24 £'000	2022/23 £'000
Dwellings	100,717	60,861
Other Assets	1,466	604
	102,184	**61,465**
Financing		
Usable capital receipts	42,145	22,348
Revenue contributions to capital	21,167	3,487
Major Repairs Reserve	32,894	33,383
Other	5,977	2,247
	102,184	**61,465**

7 Capital Receipts

Capital receipts received during the year from disposals of land, houses and other property within the HRA was £11.1m (£21.8m in 2022/23). The receipts are summarised as follows:

	2023/24 £'000	2022/23 £'000
Receipts unapplied brought forward - 1 April	69,158	69,665
Right to Buy sales	11,088	20,939
Mortgage repayments	-	-
Disposal of Land and Buildings	64	903
	80,310	**91,506**
Allowable reductions		
Repaid to DLUCH	-	-
Capital receipts applied	(42,145)	(22,348)
Capital receipts applied to GF	-	-
Capital receipts unapplied carried forward - 31 March	**38,165**	**69,158**

8 Major Repairs Reserve

	2023/24 £'000	2022/23 £'000
Balance brought forward - 1 April	**(10,001)**	**(12,902)**
Capital expenditure (dwellings)	32,894	33,383
Major Repairs Allowance set aside in year	(33,242)	(30,482)
Balance carried forward - 31 March	**(10,349)**	**(10,001)**

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 £33.2m for 2023/24 (2022/23 - £30.5m). £32.9m was used to finance appropriate Housing Revenue Account capital expenditure.

9 Balance Sheet Value of Land and Houses, etc.

	2023/24 £'000	2022/23 £'000
Dwellings	1,899,682	1,934,334
Land	47,103	40,447
Other assets	64,782	36,296
	2,011,567	**2,011,077**

10 Asset Split

	2023/24 £'000	2022/23 £'000
Operational - dwellings	1,899,682	1,934,334
Operational - other land and buildings	103,684	68,904
Non-operational	8,201	7,839
Intangible	2,233	1,393
	2,013,800	**2,012,470**

Collection Fund

Collection Fund Income and Expenditure Account

31 March 2023					31 March 2024		
£'000	£'000	£'000			£'000	£'000	£'000
Business Rates	Council Tax	Total		Note	Business Rates	Council Tax	Total
			Income				
-	295,969	295,969	Council Tax		-	312,859	312,859
198,929	-	198,929	Non-Domestic Rates		214,069	-	214,069
(872)	-	(872)	Transitional Protection Payment		20,071	-	20,071
			Contributions towards previous years				
			Collection Fund Deficit:				
-	-	-	Central Government		-	-	-
40,642	8,372	49,014	Bristol City Council		8,418	(1,671)	6,747
-	1,056	1,056	Avon & Somerset Police and Crime Commissioner		-	(220)	(220)
432	335	767	Avon Fire Authority		90	(69)	21
2,162	-	2,162	West of England Combined Authority		448	-	448
241,293	305,732	547,025			**243,095**	**310,899**	**553,994**
			Expenditure				
			Apportionment of Previous Years Surplus				
-	-	-	Central Government		1,031	-	1,031
-	**-**	**-**			**1,031**	**-**	**1,031**
			Precepts, Demands and Shares				
182,167	243,198	425,366	Bristol City Council		206,185	258,801	464,986
-	32,133	32,133	Avon & Somerset Police and Crime Commissioner		-	34,514	34,514
1,938	9,971	11,909	Avon Fire Authority		2,193	10,755	12,948
9,690	-	9,690	West of England Combined Authority		10,967	-	10,967
193,795	285,302	479,097			219,345	304,070	523,415
			Charges to the Collection Fund				
1,919	580	2,499	Write offs of uncollectable amounts		2,917	5,264	8,181
(4,006)	8,960	4,954	Increase/(Decrease) in bad debt provision		(4,671)	(708)	(5,379)
695	-	695	Cost of Collection Allowance		700	-	700
8,124	-	8,124	Disregarded amounts		22,038	-	22,038
(796)	-	(796)	Increase/(Decrease) in provision for appeals		(2,116)	-	(2,116)
5,936	9,540	15,476			18,868	4,556	23,424
41,563	**10,889**	**52,452**	**Surplus/ (Deficit) for the year**		**3,851**	**2,274**	**6,125**
(40,454)	**(8,841)**	**(49,295)**	**Surplus/ (Deficit) as at 1 April**		**1,109**	**2,049**	**3,157**
1,109	**2,049**	**3,157**	**Surplus/ (Deficit) as at 31 March**		**4,960**	**4,322**	**9,282**

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 129.653 for 2023/24 (127.917 for 2022/23). 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 £2,345.24 for 2023/24 (£2,230.37 for 2022/23) 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 2023/24 council tax

	BANDS									
	A Entitled to Disabled Relief	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**Total**
No of Properties	-	54,862	75,421	40,611	19,435	9,959	4,876	2,877	350	208,391
Exemptions and disabled relief	(40)	(3,418)	(1,523)	(1,334)	(1,198)	(1,069)	(165)	(44)	11	(8,780)
Less Discounts	75	(5,728)	(5,776)	(2,816)	(1,162)	(522)	(204)	(122)	(67)	(16,321)
Total Equivalent Dwellings	35	45,716	68,122	36,462	17,075	8,369	4,507	2,711	294	183,289
Ratio	5/9	6/9	7/9	1	1	11/9	13/9	15/9	18/9	
Band D Equivalents	19	30,477	52,984	32,410	17,075	10,228	6,510	4,518	588	154,808
Add Changes re: Additional Properties										2,726
Additional Exemptions										(2,021)
Council Tax Support										(19,036)
Rate of Collection 97%										
Council Tax Base										(6,824)

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	51,778	44,070	5,877	1,831
Bad debt allowance	(33,306)	(28,347)	(3,780)	(1,179)
Prepayments and overpayments	(4,892)	(4,164)	(555)	(173)
Surplus/ (Deficit) at 31 March	(4,322)	(3,679)	(491)	(152)

Business Rates	Total	Bristol City Council	West of England Combined Authority	Avon Fire Authority	Central Government
	£'000	£'000	£'000	£'000	£'000
Debtors	13,962	13,124	698	140	-
Bad debt allowance	(8,642)	(8,123)	(432)	(86)	-
Prepayments and overpayments	(7,282)	(6,845)	(364)	(73)	-
Appeals provision	(23,897)	(22,463)	(1,195)	(239)	-
Surplus/ (Deficit) at 31 March	(4,960)	(4,663)	(248)	(50)	-

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.

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 2023/24 the non-domestic rating multiplier was 51.2p (51.2p in 2022/23) and the small business non-domestic rating multiplier was 49.9p (49.9p in 2022/23).

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 £217.938m for 2023/24 (£201.812m for 2022/23). The total rateable value at 31 March 2024 was £600.025m (£540.951m at 31 March 2023).

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.

	CASH TRANSACTIONS		REVENUE & EXPENDITURE	
	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	(79,873)	(19,263)	-	-
Receipts into the Pool in-year				
- Growth sums payable by Council's to BRP in year	(56,301)	(22,414)	13,453	-
Distributions out of the Pool in-year				
- Tier 1 no worse off	20,001	10,744	-	(10,520)
- BRP management fee	36	9	-	-
- EDF management fee	75	19	-	-
- Tier 2 EDF funding	6,509	807	-	0
-Tier 3 demographic and service pressur	5,151	1,875	-	(2,016)
Funds held by BRP at 31 March	**(104,402)**	**(28,224)**		
Analysed between:				
Uncommitted cash (Tier 2 inc contingency)	(6,525)	(4,080)	n/a	n/a
Committed cash (Tier 3)	(97,877)	(24,144)	n/a	n/a
Expenditure/(Revenue) recognised	**(104,402)**	**(28,224)**	**13,453**	**(12,536)**

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 £4.080m 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 2023/24 (2022/23: nil)

The Council itself has recognised revenue income of £12.536m (2022/23 £4.870m) from the BRP and expenditure of £13.453m (2022/23 £5.279m) to the BRP for the year.

Group Accounts

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (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 Financial Statements

The Group Comprehensive Income and Expenditure Account as at 31 March 2024

This statement shows the accounting cost in the year of providing the Group's services in accordance with generally accepted accounting practices.

2022/23				2023/24		
Gross Exp £'000	Gross Income £'000	Net Exp £'000		Gross Exp £'000	Gross Income £'000	Net Exp £'000
317,484	(140,114)	177,370	Adult & Communities	344,865	(153,351)	191,514
167,962	(66,396)	101,566	Children & Education	200,642	(75,505)	125,137
206,090	(134,998)	71,092	Resources	196,487	(137,683)	58,804
310,607	(160,235)	150,372	Growth & Regeneration	301,154	(163,167)	137,987
124,744	(127,179)	(2,435)	Housing Revenue Account	139,113	(136,771)	2,342
241,116	(212,748)	28,368	Dedicated Schools Grant	245,236	(248,398)	(3,162)
6,619	(4,210)	2,409	Corporate Funding & Expenditure	7,070	(227)	6,843
1,374,622	**(845,880)**	**528,742**	**Cost of services (Note G2)**	**1,434,567**	**(915,102)**	**519,465**
		11,316	Other operating expenditure			5,234
		118,844	Financing and investment income and expenditure (Note G3)			(7,121)
		(488,329)	Taxation and non-specific grant income			(558,990)
		170,573	**(Surplus)Deficit on provision of services**			**(41,412)**
		(3,592)	Deficit on revaluation of Property, Plant and Equipment assets			45,990
		(780,979)	Remeasurement of the net defined benefit liability/asset			(100,244)
		-	Surplus/deficit on financial assets measured at fair value			-
		(784,571)	**Other comprehensive (income) and expenditure**			(54,254)
		(613,998)	**Total comprehensive (income) and expenditure**			**(95,666)**

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.

	Note	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account	Sub Total - Housing Revenue	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
Adjusted Balance at 1 April 2021		**40,075**	**173,435**	**5,604**	**219,114**	**101,575**	**655**	**102,230**	**100,859**	**12,902**	**4,363**	**439,468**	**1,648,072**	**2,087,540**	**(5,122)**	**2,082,418**
Movement in Reserves during 2022/23																
Surplus or (deficit) on the provision of services		(122,498)	-	-	(122,498)	1,720	-	1,720	-	-	-	(120,777)	-	(120,777)	(49,794)	(170,572)
Other Comprehensive Expenditure and Income		-	-	-	-	-	-	-	-	-	-	-	781,549	781,549	3,022	784,571
Adjustments between group accounts and authority accounts		(52,170)	-	-	(52,170)	-	-	-	-	-	-	(52,170)	-	(52,170)	52,170	-
Total Comprehensive Expenditure and Income		**(174,668)**	**-**	**-**	**(174,668)**	**1,720**	**-**	**1,720**	**-**	**-**	**-**	**(172,948)**	**781,549**	**608,601**	**5,398**	**613,999**
Adjustments between accounting basis and funding basis under regulations	17	114,863	-	-	114,863	(4,502)	-	(4,502)	4,109	(2,901)	2,768	114,337	(114,337)	-	-	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(59,805)	-	-	(59,805)	(2,781)	-	(2,781)	4,109	(2,901)	2,768	(58,610)	667,212	608,601	5,398	613,999
Transfers to/(from) Earmarked Reserves	18	49,257	(42,894)	(6,363)	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in 2022/23		(10,548)	(42,894)	(6,363)	(59,805)	(2,781)	-	(2,781)	4,109	(2,901)	2,768	(58,610)	667,212	608,601	5,398	613,999
Balance at 31 March 2023 Carried Forward		**29,527**	**130,541**	**(759)**	**159,309**	**98,795**	**655**	**99,450**	**104,967**	**10,001**	**7,131**	**380,855**	**2,315,284**	**2,696,139**	**276**	**2,696,416**
Movement in Reserves during 2023/24																
Surplus or (deficit) on the provision of services		**99,161**	**-**	**-**	**99,161**	**1,922**	**-**	**1,922**	**-**	**-**	**-**	**101,083**	**-**	**101,083**	**(59,671)**	**41,412**
Other Comprehensive Expenditure and Income					**-**			**-**				**-**	**53,805**	**53,805**	**449**	**54,254**
Adjustments between group accounts and authority accounts		**(58,741)**			**(58,741)**			**-**				**(58,741)**		**(58,741)**	**58,741**	**-**
Total Comprehensive Expenditure and Income		**40,420**	**-**	**-**	**40,420**	**1,922**	**-**	**1,922**	**-**	**-**	**-**	**42,342**	**53,805**	**96,147**	**(481)**	**95,666**
Adjustments between accounting basis and funding basis under regulations	**17**	**(9,088)**	**-**	**-**	**(9,088)**	**(29,419)**	**-**	**(29,419)**	**(41,066)**	**348**	**7,440**	**(71,783)**	**71,783**	**-**		**-**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**31,332**	**-**	**-**	**31,332**	**(27,497)**	**-**	**(27,497)**	**(41,066)**	**348**	**7,440**	**(29,441)**	**125,588**	**96,147**	**(481)**	**95,666**
Transfers to/(from) Earmarked Reserves	**18**	**(36,289)**	**37,883**	**(1,770)**	**(176)**	**-**	**176**	**176**	**-**	**-**	**-**	**-**		**-**		**-**
Increase/(Decrease) in 2023/24		**(4,956)**	**37,883**	**(1,770)**	**31,156**	**(27,497)**	**176**	**(27,321)**	**(41,066)**	**348**	**7,440**	**(29,441)**	**125,588**	**96,147**	**(481)**	**95,666**
Balance at 31 March 2024 Carried Forward		**24,571**	**168,424**	**(2,529)**	**190,465**	**71,298**	**831**	**72,129**	**63,901**	**10,349**	**14,571**	**351,414**	**2,440,872**	**2,792,286**	**(205)**	**2,792,082**

Group Consolidated Balance Sheet as at 31 March 2024

31-Mar-23		Note	31-Mar-24
£'000			£'000
3,084,472	Property, Plant & Equipment		3,085,951
215,256	Heritage Assets		216,256
10,859	Intangible Assets		8,192
282,169	Investment Property		315,591
49,500	Long Term Investments	G11	49,785
35,299	Long Term Debtors	G4	34,656
3,677,555	**Long Term Assets**		**3,710,432**
40,343	Short Term Investments	G11	-
3,764	Inventories		4,064
188,443	Short Term Debtors	G4	246,378
83,509	Cash and Cash Equivalents		75,727
1,232	Assets held for sale		1,232
317,291	**Current assets**		**327,401**
(31,118)	Cash and Cash Equivalents		(9,939)
(4,764)	Short Term Borrowing	G11	(30,096)
(216,731)	Short Term Creditors	G5	(252,079)
(12,480)	Provisions		(12,249)
(13,115)	Revenue grants received in advance		(10,684)
(56,153)	Capital grants received in advance		(71,900)
(334,361)	**Current liabilities**		**(386,947)**
(445,488)	Long Term Borrowing	G11	(470,487)
(15,249)	Provisions		(13,321)
(486,497)	Other Long Term Liabilities		(353,222)
(16,834)	Capital Grants Receipts in Advance		(21,774)
(964,068)	**Long term liabilities**		**(858,804)**
2,696,416	**Net assets**		**2,792,082**
(384,706)	Usable Reserves		(353,664)
(2,311,710)	Unusable Reserves	G6	(2,438,418)
(2,696,416)	**Total reserves**		**(2,792,082)**

Group Cash Flow Statement for the year ended 31 March 2024

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.

2021/22			2022/23
£'000		Note	£'000
(170,573)	Net deficit on the provision of services		41,412
216,377	Adjustment to net surplus on the provision of services for non-cash movements	G7	65,820
(113,453)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G7	(115,736)
(67,649)	Net cash flows from Operating Activities		(8,504)
16,734	Investing Activities	G8	(21,721)
(19,526)	Financing Activities	G9	43,621
(70,442)	Net increase (decrease) in Cash and Cash Equivalents		13,396
122,833	Cash and Cash Equivalents at the beginning of the reporting period		52,391
52,391	**Cash and Cash Equivalents at the end of the reporting period**		**65,787**

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
Bristolisopen Limited	Direct Subsidiary	Not Material
Goram Homes Limited	Indirect Subsidiary	Consolidated
Bristol Heat Networks Limited (sold 4th January 2023)	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 2024 the Council has invested £37.153m in Bristol Holding Limited. This was made up of £36.550m ordinary shares and £0.603m 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 £12.9m of repayable loan notes. 147 homes (55%) will be affordable and managed by Bristol City Council. During the year, the Council approved two loan facilities with Goram Homes for £4.3m ('Pipeline 1') and £10m ('Pipeline 2'). Both loan agreements include interest charges on the principal sums and £3.4m is currently outstanding (principal plus interest) from Goram Homes.

Bristol Heat Networks Limited

Bristol Heat Networks Limited was a wholly owned subsidiary of Bristol Holding Limited incorporated on 31 October 2018. The company aims was to deliver affordable, low carbon heat and is fundamental to the Council's drive to make the city carbon neutral by 2030.

In July 2022 Cabinet approved the transfer of the Council's Heat Network Assets to Bristol Heat Networks Limited. The value of the assets to be transferred to Bristol Heat Networks Limited would substantively reflect the cost incurred by the Council to the point of transfer, offset by any historical government grant funding received. The sale of Bristol Heat Networks Ltd to Vattenfall Heat UK Ltd was completed on 4 January 2023 with all loan facilities have been repaid in full.

None of the other entities in which the City Council has an interest are considered material enough to merit consolidation into the Council's Group Accounts. Details of these can be found within the Related Parties note in the Council's single entity accounts (Note 38).

Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance on 30th May 2023. 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 30th May 2023, 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 closing net deficit balance of the group is £42m which takes into account previous years losses carried forward.

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 £5.9m and gross expenditure of £8.7m 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 2024	31 March 2023
	£'000	£'000
Interest payable and similar charges	39,824	38,907
Changes in the Fair Values of Financial Instruments	(10,574)	3,290
BHNL Disposal adjustment	-	(1,765)
Pensions net interest cost	13,859	28,142
Interest receivable and similar income	(13,141)	(11,713)
Income and expenditure in relation to Investment Properties	(10,654)	(11,197)
Changes in fair value of Investment Properties	(26,434)	73,179
Total	**(7,121)**	**118,843**

G4 Debtors

	31 March 2024	31 March 2023
Current debtors	£'000	£'000
Trade Receivables	35,917	31,882
Prepayments	13,417	9,210
VAT	14,966	12,502
Other	182,078	134,849
Total	**246,378**	**188,443**

	31 March 2024	31 March 2023
Long-term debtors	£'000	£'000
Mortgages	190	190
Capital loans	696	48
South Gloucestershire Council	327	327
Former county Council debt	33,443	34,734
Total	**34,656**	**35,299**

G5 Creditors

	31 March 2024	31 March 2023
Current liabilities	£'000	£'000
Trade Payables	47,124	35,506
Other Payables	189,594	151,627
Receipts In Advance	15,361	29,598
Total	**252,079**	**216,731**

G6 Unusable Reserves

	31 March 2024 £'000	31 March 2023 £'000
Revaluation Reserve	(1,107,261)	(1,177,707)
Capital Adjustment Account	(1,612,186)	(1,518,628)
Financial Instruments Adjustment Account	6,365	6,543
Deferred Capital Receipt Reserve	(10,026)	(10,026)
Pensions Reserve	244,090	342,482
Collection Fund Adjustment Account	(8,340)	(3,492)
Accumulated Absences Account	9,259	9,436
Dedicated Schools Grant Adjustment Account	39,682	39,682
	(2,438,418)	**(2,311,710)**

G7 Cash Flow Statement

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

	2023/24 £'000	2022/23 £'000
Interest received	10,017	9,521
Interest paid	(39,894)	(37,470)
Dividends received	2,853	2,368

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

	2023/24 £'000	2022/23 £'000
Depreciation, impairment and downward revaluations	132,752	101,774
Amortisation	4,666	5,126
Increase/(decrease) in impairment for bad debt	1,383	239
(Decrease)/increase in creditors	9,177	(71,012)
(Increase)/decrease in debtors	(53,336)	(22,414)
(Increase)/decrease in inventories	(300)	23,234
Movement in pension liability	1,274	74,199
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	8,869	35,131
Other non-cash items charged to the net surplus or deficit On the provision of services	(38,665)	70,100
Net cash flows from non-cash movements	65,820	216,377

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

	2023/24 £'000	2022/23 £'000
Any other items for which the cash effects are investing or financing cash flows	(101,156)	(78,795)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(14,580)	(34,659)
	(115,736)	**(113,453)**

G8 Cash Flow Statement - Investing Activities

	2023/24 £'000	2022/23 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(189,880)	(157,274)
Purchase of short-term and long-term investments	(22,000)	(212,900)
Other (payments)/receipts for investing activities	(897)	(490)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	14,580	37,484
Proceeds from short-term and long-term investments	62,216	277,914
Other receipts from investing activities	114,259	72,000
Net cash flows from investing activities	**(21,721)**	**16,734**

G9 Cash flow Statement - Financing Activities

	2023/24 £'000	2022/23 £'000
Cash receipts of short- and long-term borrowing	50,005	1
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(9,699)	(9,272)
Repayments of short and long-term borrowing	(1,900)	(11,184)
Council tax and NNDR adjustments	5,216	929
Net cash flows from financing activities	**43,621**	**(19,526)**

G10 Directors Remuneration and Exit Packages

Where a Directors 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.

2023/24				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	May' 23 – Mar' 24	D Knight		224,203	-	-	**224,203**
Finance and Strategy Director	Apr' 23 – Nov' 23			84,250	70,608	-	**154,858**
Goram Homes							
Managing Director	Apr' 23 – Mar' 24	S Baker		156,212	-	13,280	**169,492**
Finance Director	Apr' 23 – Mar' 24			69,999	-	6,600	**76,599**
Bristol Holding Company							
Executive Lead & Interim Group Finance Director	Apr' 23 – Mar' 24		1	149,150	-	-	**149,150**

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.

2022/23				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	**Post Term**	**Post Holder**	**Notes**	**£**	**£**	**£**	**£**
Bristol Waste Company							
Finance Director	Apr' 22 – Jul' 22			33,295	65,155	9,409	**107,859**
Finance Director	Jul' 22 – Mar' 23			84,762	-	-	**84,762**
Interim Managing Director	Jul' 22 – Jan' 23		1	50,008	-	3,883	**53,891**
Interim Managing Director	Jan' 23 – Mar' 23		1	39,301	-	-	**39,301**
Managing Director	Apr' 22 – Jul' 22			38,822	62,317	10,793	**111,932**
Goram Homes							
Managing Director	Apr' 22 – Mar' 23			131,984	-	11,865	**143,849**
Finance Director	Apr' 22 – Mar' 23			60,700	-	5,820	**66,520**
Bristol Holding Company							
Executive Chair (CEO)	Apr' 22 – Jun' 22			8,750	-	-	**8,750**
Group Finance Director & Executive Lead	Apr' 22 – Jul' 22			48,002	-	-	**48,002**
Interim Executive Lead & Group Finance Director	Jul' 22 – Mar' 23		1	129,819	-	-	**129,819**
Bristol Heat Networks							
Consulting Officer	Apr' 22 – Jan' 23			92,454	-	-	**92,454**

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 March 2024	31 March 2023	31 March 2024	31 March 2023
	£'000	£'000	£'000	£'000
Financial Liabilities at Amortised cost				
Borrowing	(470,488)	(445,488)	(30,096)	(4,764)
Service Concessions	(93,519)	(100,724)	(7,203)	(7,160)
Creditors	(473)	(1,798)	(206,020)	(192,125)
Cash & Cash Equivalents	-	-	(9,939)	(31,117)
Total Financial Liabilities	**(564,480)**	**(548,010)**	**(253,258)**	**(235,166)**
Financial Assets at amortised cost				
Investments	-	-	258	46,408
Debtors	1,144	11,736	145,800	120,467
Financial Assets at Fair Value through Other Comprehensive Income				
Investments FV	350	350	-	-
Debtors				
Financial Assets at Fair value through profit and loss				
Investments	47,840	37,655	75,469	71,409
Total Financial Assets	**49,334**	**49,741**	**221,527**	**238,284**

Movements

The increase in financial liabilities, circa £57m relates to (£50m) of new PWLB Loans, an increase in the value of general creditors (£37m), a repayment of PFI Liabilities (£9m) and (£21m) in our overdraft on out main suite of bank accounts.

The financial assets decreased by circa £15m primarily through a combination of decreases in working capital by the use of cash to support the financing of the capital programme, the payment of creditors and utilisation of reserves resulting in a reduction of resources to invest.

Borrowing

Current borrowing	31 March 2024 £'000	31 March 2023 £'000
Deposit loans (repayable at notice - up to 7 days)	98	168
Cash & Cash Equivalents -Bank Overdraft	9,939	31,117
- Public Works Loan Board	28,568	3,179
- Banks and other monetary sector	1,151	1,138
- Energy Improvement Loans	259	259
- Local Bonds and Stocks	21	21
Total	**40,035**	**35,882**

Non-current borrowing	31 March 2024 £'000	31 March 2023 £'000
Public Works Loan Board	350,439	325,439
Lender Option Borrower Option (Lobo)	70,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
Total	**470,488**	445,488

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 2023/24

	Financial Liabilities	Financial Assets			
	Measured at Amortised Cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(38,712)	-	-	-	(38,712)
Total expense in Surplus or Deficit on the Provision of Services	**(38,712)**	**-**	**-**	**-**	**(38,712)**
Interest Income	-	4,455	-	3,970	8,425
Fair Value Movement	-	-	-	10,574	10,574
Dividend Income	-	-	-	2,853	2,853
Total income in Surplus or Deficit on the Provision of Services	**(38,712)**	**4,455**	**-**	**17,397**	**(16,860)**
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net gain/(loss) for the year	**(38,712)**	**4,455**	**-**	**17,397**	**(16,860)**

Financial Instruments Gains and Losses 2022/23

	Financial Liabilities	Financial Assets			
	Measured at Amortised Cost	Amortised Cost	Fair Value through the CI	Fair Value through the P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(36,993)	-	-	-	(36,993)
Total expense in Surplus or Deficit on the Provision of Services	**(36,993)**	**-**	**-**	**-**	**(36,993)**
Interest Income	-	6,343	-	1,851	8,194
Fair Value Movement	-	-	-	(3,290)	(3,290)
Dividend Income	-	-	-	2,368	2,368
Total income in Surplus or Deficit on the Provision of Services	**(36,993)**	**6,343**	**-**	**929**	**(29,721)**
Deficit arising on revaluation of financial assets in Other Comprehensive I & E	-	-	-	-	-
Net gain/(loss) for the year	**(36,993)**	**6,343**	**-**	**929**	**(29,721)**

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 2024 using: Quoted prices in active markets	Observable inputs	Unobservable inputs	Fair value measurements at 31 March 2023 using: 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	68,096	-		71,409	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	35,000	-	-	24,000
Other Unquoted private companies	-	-	90	-	-	180
Pooled property fund	-	-	12,750	-	-	13,476
Fair Value through Other Comprehensive Income						
Other unquoted private companies	-	-	350	-	-	350
Total Non-traded securities:	**68,096**	**-**	**48,190**	**71,409**	**-**	**38,006**
Investment properties	**-**	**315,591**	**-**	**-**	**282,169**	**-**
Surplus properties	**-**	**27,507**	**-**	**-**	**25,900**	**-**
Total recurring fair value measurements	**68,096**	**343,098**	**48,190**	**71,409**	**308,069**	**38,006**
Non-recurring fair value measurements						
Assets held for sale	-	1,232	-	-	1,232	-
Total non-recurring fair value measurements	**-**	**1,232**	**-**	**-**	**1,232**	**-**

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 21)	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 2024 and refreshed by Council officers 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.

Investments in other 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 (£440k) so any change in the metrics used in the valuation technique will not have a material impact.
Investments in Pooled Property Fund	Level 3	These investments have been valued at the Council's share within the pooled funds.	The valuation for Pooled Property Funds have been based on the latest quarterly financial report (31st December 2024).	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 £92k 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 2024 Non-traded securities £000	31 March 2023 Non-traded securities £000
Opening balance	38,006	38,822
included in the surplus/(deficit) on the Provision of Services	10,184	(3,291)
included in Other Comprehensive Income and Expenditure	-	-
Total gains/(losses) for the period:	**10,184**	**(3,291)**
Additions	-	2,474
Closing balance	**48,190**	**38,006**

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 (+£11m), Resonance Property Fund (-£400k), Avon Mutual Regional Community Bank (-£90k) and Resonance Temporary Accommodation Property Fund (-£325k).

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 2024**		31 March 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	£000	**£000**	£000	£000
Cash & Cash Equivalents	9,939	9,939	31,117	31,117
Public Works Loan Board (PWLB)	379,007	351,300	328,618	325,000
Lender Option Borrower Option	70,678	58,700	70,668	64,800
Market Debt	50,474	42,500	50,470	46,500
Service Concessions	100,721	123,224	107,884	136,963
Other	524	524	590	590
Total Liabilities	**611,343**	**586,187**	**589,348**	**604,970**

The Authority has calculated an exit price of £855k a decrease of £24m 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 higher 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 2024) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 March 2024 Carrying amount £000	31 March 2024 Fair value £000	31 March 2023 Carrying amount £000	31 March 2023 Fair value £000
Current investments	-	-	40,343	40,343
Cash and Cash Equivalents	258	258	6,065	6,065
Non-current investments	-	-	1	1
Non-current debtors	1,144	1,144	11,736	11,736
Total Financial Assets	**1,402**	**1,402**	**58,145**	**58,145**

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 2024 using: Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000	Fair value measurements at 31 March 2023 using: Quoted prices in active markets Level 1 £000	Observable inputs Level 2 £000	Unobservable inputs Level 3 £000
Recurring fair value measurements using: Financial Liabilities held at Amortised Cost						
Cash & Cash Equivalent	-	9,939	-	-	31,117	-
Public Works Loan Board (PWLB)	-	379,007	-	-	328,618	-
Lender Option Borrower Options	-	70,678	-	-	70,668	-
Market debt	-	50,474	-	-	50,470	-
Service Concessions	-	100,721	-	-	110,539	-
Other	-	524	-	-	590	-
Total	**-**	**611,343**	-	-	**592,003**	-
Financial Assets held at amortised cost						
Current Investments	-	-	-	-	**40,343**	-
Cash and Cash Equivalents	-	258	-	-	**6,065**	-
Non-current Investments	-	-	-	-	1	-
Non-current Debtors	-	1,144	-	-	11,736	-
Total	**-**	**1,402**	**-**	**-**	**58,145**	**-**

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.

G11 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 15 February 2022 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 2024 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)	
	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-23
Current Investments:					
Local Authorities	160	0.00%	0.00%	-	-
AA rated counterparties	80	0.02%	0.02%	-	4
A rated counterparties	17	0.05%	0.05%	-	7
Sub-total	**258**			**-**	**11**
Trade debtors	143,877			-	-
Non-current debtors	21,398			-	-
Total Financial assets	**165,533**			**-**	**11**

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31st March 24.

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	Allowance for credit losses at	Net debtor at	Net debtor at
	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-23
	£'000	£'000	£'000	£'000
Local taxpayers	57,194	(36,470)	**20,724**	**21,543**
Housing rents	15,191	(11,076)	**4,115**	**3,240**
Other - sundry debtors	217,594	(36,332)	**181,262**	**144,183**
Total Other Entities and Individuals	**289,979**	**(83,878)**	**206,101**	**168,966**
Central Government bodies	23,334	-	**23,334**	**12,214**
Other local authorities	1,391	-	**1,391**	**1,448**
NHS bodies	1,592	-	**1,592**	**1,115**
Total debtors	**316,296**	**(83,878)**	**232,418**	**183,743**
Balance sheet debtors	**316,296**	**(83,878)**	**232,418**	**183,743**
Current debtors not qualifying as a financial instrument under IFRS	(123,088)	36,470	**(86,618)**	**(63,275)**
Current debtors qualifying as a financial instrument under IFRS	**193,208**	**(47,408)**	**145,800**	**120,468**

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 2024	31 March 2023
	£'000	£'000
Less than three months	**38,246**	**29,111**
Three to four months	**3,613**	**4,147**
Four months to one year	**18,302**	**18,446**
More than one year	**53,483**	**55,172**
Total	**113,644**	**106,876**

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 2024 £'000	31 March 2023 £'000
Less than 1 year	221,527	238,284
Between 1 and 2 years	314	314
Between 2 and 3 years	301	301
More than 3 years	48,719	49,126
Total	**270,861**	288,025

The maturity analysis of financial liabilities is as follows:

	31 March 2024 £'000	31 March 2023 £'000
Less than 1 year	253,258	235,184
1 - 2 years	65,587	23,983
2 - 5 years	64,464	70,210
5 - 10 years	42,941	54,906
10+ years	391,488	398,894
Total	**817,738**	783,176

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 2024 £'000	%	Actual 31 March 2023 £'000	%
Less than 1 year	-	30	30,096	6%	4,764	1%
Between 1 and 2 years	-	40	45,000	9%	5,000	1%
Between 2 and 5 years	-	40	34,000	7%	44,000	10%
Between 5 and 10 years	-	50	-	-	5,000	1%
More Than 10 Years	25	100	391,488	78%	391,488	87%
Total			**500,584**	**100%**	**450,252**	**100%**

Included within the maturity profile are £70m of LOBOS with maturities averaging 38 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 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31-Mar 2024 £'000
Increase in interest receivable on variable rate investments	1,003
Impact on Surplus or Deficit on the Provision of Services	1,003
Share of overall impact debited to the HRA	1,664
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)	139,500

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

Foreign exchange risk

During 2023/24 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.