



# Audited Statement of Accounts

Bristol City Council,  
for the year ended  
31 March 2025

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 2024/25 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).



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## GLOSSARY OF TERMS

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

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

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

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

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

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

The actuarial assumptions have changed

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

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

**ANNUAL GOVERNANCE STATEMENT** – The annual governance statement is a statutory document that explains the processes and procedures in place to enable the Council to carry out its functions effectively.

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

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

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

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

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

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

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

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

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

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

**CASH AND CASH EQUIVALENTS** - Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to cash, for example bank call accounts.

**CODE** - The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

**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.

**COMPREHENSIVE 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 non-domestic properties. Business rate bills are set by multiplying the rateable value by the year's NNDR poundage (which is set by the Government). Domestic properties no longer have rateable values; instead they are assigned to one of the eight council tax valuation bands.

**RELATED PARTIES** - Two or more parties are related parties when at any time during the financial period:

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

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

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

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

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

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

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

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

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

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



# Audited Statement of Accounts

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for the year ended  
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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 2024/25 (the Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).



# Introduction



Bristol's core spending power per head of population is below comparable cities and similar councils, and we have a heavier reliance on council tax and business rates. Bristol has the highest council tax rates in the South-West, due to the disproportionate demands on our services as the main city in this region. This is a critical backdrop to the overall position that Bristol is managing and has a direct impact on our ability to provide the services that people need.

In May 2024, following the result of a referendum, the council adopted a committee system of governance to replace the Mayoral and Cabinet model. Newly elected councillors voted to establish eight Policy Committees (in which membership is proportionate to party composition of the council) and fill the roles of Chairs and Vice Chairs for each committee. Councillor Tony Dyer was sworn in as the Leader of Bristol City Council.

In the first financial year of the new committee system, the council has spent over £1.3 billion on local services and projects that have allowed it to take several steps forward towards meeting ambitions for communities and the city.

These are some highlights that show how the council is delivering for Bristol:

## Housing

A good home is fundamental to living a happy, healthy and prosperous life. This is not universally experienced across our city, for a multitude of reasons. The cost of housing, energy and food has continued to rise. Private rental prices have increased, and the growing cost of borrowing has an impact on people's ability to buy a home, pay their mortgage, or afford market rents.

We are putting our focus on addressing this as our vision is for Bristol to be a place where everyone can access a safe, warm and secure home, at a price they can afford and belong to a community in which they can thrive. We continue to invest in new homes across our city, currently there are 1,811 affordable homes actively being delivered in Bristol, including 1,202 social rent, affordable rent and affordable private rent homes, and 609 shared ownership homes.

In 2025/26, our focus is ensuring our current homes are safe and in good condition and that we meet the standards required of us as a social landlord. We plan to accelerate our work and invest more than £57 million in improvements.

## Transport

Inequality across the city exists in part due to the historic lack of good quality transport options. Our focus is working as part of the West of England Mayoral Combined Authority to deliver reliable, sustainable and affordable transport options, which connect residents to services, jobs, and each other.

There are a variety of transport and infrastructure improvement projects underway across the city as we continue planning for Bristol's future. A £1 million project has begun to resurface and reconstruct nine roads across Bristol, the locations were selected based on city-wide digital surveys, which allowed us to prioritise roads based on their condition and usage.

A total of £4.7 million from Clean Air Zone charges has been set aside to fund new bus services and £9.6 million is being invested in major transport projects to enhance travel around the city centre, the A4 Portway, and the number 2 bus route.

## Special Educational Needs and Disability

There are over 13,000 children and young people living in Bristol with Special Educational Needs and Disabilities (SEND). To ensure that these children, young people, their families and carers are supported, included and valued, we have launched our new Bristol SEND and Inclusion Strategy. In this we set out our partnership approach, which includes working with education, health and social care, Bristol Parent Carers, the Listening Partnership and organisations working in our local communities. This approach aims for children and young people with SEND to grow in independence and reach their full potential.

We aim for children and young people with SEND to be included and thrive in mainstream education where possible. We make sure there is sufficient specialist provision in place for those who need it and that all of our education settings are skilled and confident to meet the needs of children and young people with SEND.

### Further highlights:

- Bristol continued to be a national leader in delivering specialised supported housing for people with high social care needs. In partnership with Elim Housing Association, we began construction on six new sites at Oldland Common to support the discharge of residents from unsuitable accommodation and hospitals, improving health outcomes and reducing costs for social care. These sites have now been completed.
- In December, we adopted a new Homelessness Strategy which outlines how we will work with partners across the city to prevent homelessness and improve the supply of suitable accommodation for those who need it. £11.3 million has been invested into this work to fund the existing homelessness support services to grow and focus on preventing the need for costly temporary accommodation.
- Vital new council houses, which will provide safe, secure affordable homes for families in Bristol started being built across the city. More than 140 homes are under construction across three sites including, the former Cameron Centre site in Lockleaze, Leinster Avenue in Knowle West and Filwood Broadway.

- Our zero-tolerance approach to harassment in night time venues was internationally recognised. Bristol Nights, a partnership project that advocates for practical solutions to support our night time economy, won the 'Best Night Time Economy Initiative' award for its Women's Safety Charter campaign at the Music Cities Awards. The Women's Safety Charter is a seven-point code of commitments aimed at helping venues and night time businesses address harassment and discrimination.
- £1 million has been given to the council's "Managing for Nature" project. This project aims to boost biodiversity, improve how we manage our natural spaces, and bring our communities closer to wildlife. This investment will help the council reach its goal of managing at least 30% of its own land for nature by 2030.
- The new Greener High Streets Grant was launched to help high street businesses reduce carbon emissions, cut utility costs and improve energy efficiency.
- We have made improvements to Bristol children's services. Ofsted inspectors found that since their previous visit in 2023, our service has taken great strides in improving practice. Their report highlighted the high level of engagement that our service has with children and how our practitioners take time to understand the issues and work alongside families.
- A new specialist therapeutic fostering programme called "Back to Bristol" was launched to support children in care to return to the city after living in children's homes outside of Bristol. This scheme helps children be reunited with their family, friends, community and schools.
- We have launched Bristol's new Drug and Alcohol Partnership, named 'Horizons'. This is a new integrated approach to supporting people affected by drug and alcohol use with three hubs and a website providing healthcare interventions and wrap-around support related to employment, housing and health.

Whilst financial pressures mean we must continue to maintain a vigilant watch on spend and income, we remain committed to making progress in delivering value for money services for the people of Bristol.

**Nick Hibberd**  
*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 2024/25, 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 one of the 12 'Core Cities' and has a population of around 483,000. Over the last decade, Bristol's population has grown by an estimated 44,000 people, this is a 10 per cent increase.

Over 70,000 people - equating to 15 per cent of the population - live in the top 10 per cent most deprived areas in England. This includes 17,900 children and 7,600 older people. In total, more than one in five children live in poverty in our city, and 27,560 households are in fuel poverty. This reality sits alongside the city's £15 billion economy, thriving business sector and one of the highest retention rates for graduates in the country. We repeatedly make the point that we are very much a stark city of contrasts, which brings with it many significant challenges.

There are 43,700 full-time students aged 18 and over living in Bristol, making up 9.2 per cent of the total population. However, despite having two world class universities, paradoxically Bristol has some of the lowest rates of people going to university in the country.

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

The city has a growing global reputation and has been recognised for its efforts across many different sectors. The city is a UNESCO City of Film as well as a UNESCO Learning City.

# Our Services 2024/25

The following core services are provided by the council:

## Core Services:

### Adults, Children, Education and Public Health:

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

### Growth & Regeneration:

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

## Resources:

### Provides internal support and enabling services including:

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

## Ring-fenced Accounts:

### Housing Revenue Account:

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

### Dedicated Schools Grant:

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

### Public Health:

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

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

## Workforce:

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

- Overall our workforce comprises 6,947 'full time equivalent' employees and 2,599 employees within our locally maintained schools.

# Our Services 2024/25

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- **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



**71%** of residents think air quality and traffic pollution is a problem locally (QoL 2024/25). (**70%** 2023/24)

**72%** of residents are satisfied with their local area as a place to live. (2024/25 Bristol Quality of Life survey) (**74%** 2023/24)



**73%** felt that people from different backgrounds get on well together in their local area (QoL 2024/25). (**73%** 2023/24)



**80%** of residents reported good or better levels of mental wellbeing (QoL 2024/25). (**80%** in 2023/24).

## Key facts: Housing



**535** affordable homes built in Bristol in 2024/25 (**604** 2023/24)

**1,433** new homes built in Bristol in 2023/24. (**1,599** 2022/23)



Prevented **1,687** households from becoming homeless during 2024/25. (**1,620** 2023/24)



**1,685** Households living in Temporary Accommodation (as of end March 2025). (**1,593** at end March 2024)

**82** people sleeping rough in a single night in Bristol compared with **72** in March 2024. (BCC bi-monthly count - March 2025)

## Key facts: Adult Social Care

**3,971** adults were receiving a community-based social care support as of end March 2025 (**4,179** 2023/24)



**1,032** 18+ Care Home places funded as of end March 2025. (**1,386** at end March 2024)

# Our performance

## Key facts: Culture & Creativity

**36%** participate in cultural activities at least monthly (QoL 24/25). (37% 2023/24)



## Key facts: Education



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

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

## Key facts: Transport and sustainability

**36%** of people walk or ride to work (QoL 2024/25). (35% 2023/24)



**39.7m** passenger bus journeys in 2024/25. (37.1m in 2023/24)



**45%** of all household waste was sent for reuse, recycling and composting in 2024/25. (45% 2023/24)

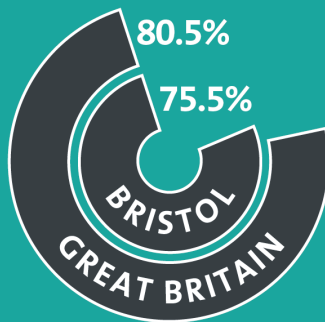
**20.6kg** of waste per household was landfilled in 2024/25.



compared with **31.1kg** in 2023/24

## Key facts: Economy & employment

**262,100** working age residents were in employment in December 2024.



Gross annual pay

# Financial performance

## Full Year 2024/25

Service Net Expenditure Summary	Approved Budget	Revised Budget	Outturn	Projected Outturn Variance
	£000s			
8 - Adult & Communities	196,511	211,564	218,656	7,092
9 - Children & Education	125,148	136,326	160,103	23,777
2 - Resources	49,765	57,614	56,278	(1,336)
4 - Growth and Regeneration	61,146	62,978	66,061	3,082
<b>Service Net Expenditure</b>	<b>432,570</b>	<b>468,483</b>	<b>501,097</b>	<b>32,614</b>
x2 - Levies	3,693	12,319	13,076	757
x3 - Corporate Expenditure	56,406	17,618	13,804	(3,814)
x4 - Capital Financing	26,768	18,000	13,620	(4,380)
x6 - Year-end Transactions	0	6,862	6,862	0
x9 - Corporate Allowances	14,283	10,440	0	(10,440)
<b>Total Revenue Net Expenditure</b>	<b>533,721</b>	<b>533,721</b>	<b>548,459</b>	<b>14,738</b>
Tier 3 Business Rates Pooling	0	0	(14,941)	(14,941)
<b>Total Revenue Net Expenditure</b>	<b>533,721</b>	<b>533,721</b>	<b>533,519</b>	<b>(202)</b>

The budget recognised that there were significant challenges in terms of the financial conditions under which the council operates. The pressures of the cost of living crisis, global supply challenges, labour shortages and pay inflation and contractual inflation, combined with continuing increases in demand for core services, are all impacting the council's 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 2024/25, it included the identification and expected achievement of significant savings, underpinning the council's financial stability and ability to live within our means, as well as enabling the Council to manage the transitions expected in terms of funding under reforms ahead. The MTFP total savings target for 24/25 amounted to £46.9 million, with additional business cases agreed of £3.3 million, giving a total savings due in 2024/25 of £50.2 million. Of this £38.9 million (77.5%) were delivered in year, with the remainder mitigated in year. Of the remainder only £2.5 million are non-recurrent or budgetary mitigations and will roll forward requiring delivery in 2025/26.

## EFA Table

### Full Year 2024/25

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)	201,907	2,356	(1,520)	0	202,743
Children & Education (Note 5)	156,023	(2,904)	(6,810)	0	146,309
Resources	56,670	6,184	(2,208)	0	60,646
Growth and Regeneration	54,353	74,435	(2,600)	(192)	125,996
Housing Revenue Account (Note 4)	25,349	(27,352)	(1,472)	0	(3,475)
Dedicated Schools Grant	15,424	0	(2,115)	16,211	29,520
Corporate Funding and Expenditure	13,968	59	1,890	410	16,327
	<b>523,694</b>	<b>52,778</b>	<b>(14,835)</b>	<b>16,429</b>	<b>578,066</b>

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

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## Sources of Core Funding

During 2024/25 the council continued to pilot 100% business rates retention. Pilot authorities retain 100% of the growth in locally raised business rates. Of this we share 5% with the West of England Combined Authority and 1% with Avon Fire Authority. In return the council forgoes Revenue Support Grant (RSG) and several other funding streams. Each pilot authority's tariffs and top-ups calculated by central government are adjusted to ensure the change is cost neutral and that no individual pilot authority loses out because of these changes.

The council collects £296 million of business rates of which £210 million (net of reliefs) is retained in year by the council. This is also net of the tariff of £96.2 million which the council returns to central government and £13.4 million transferred to the Avon Fire Authority and the West of England Combined Authority.

The Council also collects £338.3 million of Council Tax (on behalf of Avon and Somerset Police and Crime Commissioner, Avon Fire Authority, and itself), of which £282.4 million is retained in year by the council. During the year the Council received £536.4 million of government grant income which was used to fund revenue expenditure. The council generates £1,143.2 million of fees, charges and grants used to deliver services and keep council tax down.

## Reserves

Useable reserves have decreased overall by £55 million. This includes a contribution to the HRA General Reserves of £35.1 million, primarily used to fund the HRA capital programme.

£61 million of the Unapplied Capital Receipts Reserve was drawn down in the year to fund the Capital Programme. There is a net increase of £8 million to the General Fund Strategic Reserve, which includes budget approved contribution of £3.3 million into the General Fund reserves that were part of the approved balanced budget.

Contributions to reserves includes £16.4 million due to Clean Air Zone operational income. Other increases include £15.8 million of capital receipts and £31.5 million of unapplied capital grants.

Several new reserves were created at year-end:

- Business planning reserve of £6.5 million
- Sec31 Pupil Premium Plus post-16 funding of £0.1 million
- Bristol Harbour of £0.02 million

## Dedicated Schools Grant

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

A statutory override has been extended by the Department for Levelling Up, Housing and Communities (DLUHC) to March 2026, this gives the local authority (LA) more time to deliver a DSG management plan and mitigations with the aim to bring DSG annual spend back to a sustainable footing. For 2024/25 the DSG had net expenditure of £29.5 million.

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

Schools Reserves – 2024/25 proved to be challenging for the sector and the financial health of LA maintained schools deteriorated by £2 million from £2.6 million net deficit to a £4.6 million deficit. All LA maintained schools in deficit are required to submit a deficit recovery plan for 2025/26.

Key challenges remain to be in LA maintained nurseries (MNS). An additional £20.8million uplift in Early Years Block funding in 2024/25 was welcomed in respect to increased provision for 2 year olds, whilst this will contribute towards financial sustainability, robust recovery plans will be required to address the accumulated historic deficits which saw a marginal improvement in-year 2024-25 and currently stand at £6.4 million.

Primary and secondary schools also continue to experience financial challenges despite the increased funding of £18.9 million in DSG Schools Block and £19.4 million Core Schools' Budget Grant (CSBG) and Teachers pay & Pension Grants provided in 2024/25.

## 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 surplus for the year of £45.6 million
- The council manages circa 26,756 homes
- The council collected £134.8 million in dwelling rent in 2024/25 (£124.0 million in 2023/24)
- The council spent £139.5 million in 2024/25 (£100.7m in 2023/24) on new builds and improvement to existing housing stock.

## HRA General Reserves

HRA reserves were decreased by £27.5 million. This included a drawdown of £18.9 million to fund HRA's Capital Programme, £6.3 million to fund the HRA deficit and £1.9 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 on-going financial stability. Overall the Capital

Programme for 2024/25 totalled £577 million, approved budgets originally set in February 2024. The Capital Programme spending (including revenue expenditure allowed to be funded by capital) during the year totalled £269m. The Capital Programme was financed from a combination of borrowing (£40m) and from grants, contributions and reserves (£229m).

Approved Budget Council £m	Directorate	Revised Budget £m	Outturn £m	Outturn Variance £m	Variance from budget %
7.8	Adult & Communities	7.6	5.2	(2.4)	(32)
42.5	Children & Education	18.0	14.5	(3.5)	(19)
2.7	Resources	4.3	1.7	(2.6)	(60)
151.1	Growth and Regeneration	121.1	105.8	(15.3)	(13)
2.6	Bristol Harbour Fund	1.1	0.9	(0.2)	(18)
12.0	Corporate	10.0	1.0	(9.0)	(90)
358.0	Housing Revenue Account	146.0	139.6	(6.4)	(4)
<b>576.7</b>	<b>Total</b>	<b>308.1</b>	<b>268.7</b>	<b>(39.4)</b>	<b>(236)</b>

*Financed by:*

73.7	Prudential Borrowing		41.4		
128.9	Capital Grants		80.9		
16.1	Capital Receipts		6.2		
358.0	HRA		139.6		
0.0	Revenue Contributions		0.6		
<b>576.7</b>	<b>Total</b>		<b>268.7</b>		

### The major areas of investment have included:

- £137.6 million invested in the Council's housing stock (of which £68m was on new build developments).
- £54.3 million invested in transport schemes including Clean Air Zone, Flood defences, Bedminster Green regeneration, Housing developments, Strategic Corridors, Bus Deal Programme, New Cut Bridge improvements, Traffic infrastructure, Street Lighting and Highways maintenance.

- £11.4 million invested in the Temple Quarter regeneration programme.
- £10.8 million invested in housing enabling work to accelerate the affordable provision including Hengrove Park, Filwood, Lockleaze, Glencoyne Square and Southmead regeneration programmes.
- £10.3 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 and into early years childcare.
- £7.7 million invested in delivering energy efficiencies into homes, decarbonisation heating solutions and Centre of Excellence programme of implementing Electric Vehicle charge points.
- £5.5 million invested in a significant refurbishment programme of the Bristol music venue, Bristol Beacon.
- £4.4 million invested in maintenance to buildings and improvements from the property transformation programme.
- £4.2 million invested in housing adaptations and assistance programme.
- £3.6 million invested into sports facilities, improvements at Horfield Leisure Centre.
- £3.4 million invested in digital transformation, improving networks, IT equipment and upgrading the HRA housing management system.
- £2.3 million invested into Children Homes acquiring new properties and refurbishment works.
- £1.9 million invested in new housing opportunities as part of the refugee resettlement programme.
- £1.9 million invested in the development of a new Youth Zone in South Bristol.
- £1.7 million invested in parks and green spaces.
- £1.6 million capital grants to community organisations to support asset improvements.
- £1.5 million invested into Homelessness Accommodation programme.

## 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 two loan facilities with BWC. Cabinet approved (4 December 2018) a repayable loan facility of £12.7 million to BWC for the replacement of fleet vehicles. To date, £11.3 million of this loan has been contractually agreed and drawn down. At the start of the financial year £5.6 million of this loan was outstanding and by 31 March 2025 BWC had repaid £1.3 million of the principal plus interest, leaving an outstanding principal balance of £4.3 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, and then a further draw down of £1.0 million in August 2024. The balance of £0.8 million is forecast to be drawn down in 25/26.

**Goram Homes** – the council has approved two loan facilities with Goram. An initial loan of £3.3 million was agreed for its first two sites ('Pipeline 1'). At 31 March 2025, 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 £1.0 million against this. Cabinet approval currently allows for a loan of up to £10 million against this second pipeline. Both loan agreements include interest charges on the principal sums and £3.4 million is currently outstanding plus accrued interest. It should be noted that a deed

of variation to the working capital facility loan agreements was approved in March 2024 to allow greater flexibility for future developments. In addition, the council also issued £18.0 million repayable loan notes representing its transfer of Romney, Dovercourt and New Fosseyway sites into Goram Home's Joint Ventures for the development of the same sites. To date £3.4m has been repaid leaving a principal balance outstanding of £14.6m 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 and £0.5m repaid bringing the total to £4.2 million.

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

## Treasury Management

The 2024–2029 Treasury Strategy identified a medium-term net borrowing requirement of £996 million to support the existing and future Capital Programme.

At the start of the financial year the Council held £427m of external debt, with £60m repaid during the year. The Council borrowed £165m from the Public Works Council Loans Board (a UK government body) in the latter part of the financial year primarily to support the funding of the capital programme and the refinancing of external debt.

Net debt (borrowing less investment) was £545 million at the end of the year. The average level of treasury funds available for investment purposes during the year was £99 million, the balance at the end of the year being £55m. The return for the period was 4.93% compared to the recognised benchmark of 4.90% 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

Shifts in the macro economic landscape led to volatile markets during 2024/25. Equities generated good returns until the final quarter when uncertainty arose around US trade policy and threat of a trade war and the challenge to the US dominance within the tech sector. As a result the dominant US equity market ended the year on a weak note, whereas UK and Europe benefited from investors switching away from US assets. In contrast UK government bond yields rose as inflation expectations have remained stubbornly high, preventing interest rate cuts by the Bank of England.

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. In the 2025 valuation the inflation assumption will be revised to reflect current expectations.

The city council is a member of the Avon Pension Fund. The pension liability as at 31 March 2025 is £102.7 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 £131.9 million over the last year, this was mainly due to changes in actuarial assumptions. The most significant being an increase in the rate used to discount post-employment benefit obligations (from 4.9% to 5.9%).

The current funding level (at total Fund level) at 31 March 2025 is estimated to be 102% based on the 2022 funding plans.

## Contingencies

The council has set aside a provision of £19.8 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.

## Budget for 2025/26 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 2025/26 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 2024 the council agreed a balanced budget for 2025/26, including the planned contribution of £20.7 million to reserves. The Medium-Term Financial Plan sees an overall revenue budget for 2025/26 of £571.4 million and a capital budget for 2025/26 of £406.8 million (including the Housing Revenue Account) and aims to balance.

### Future risks and opportunities

Key risks for 2025/26 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.

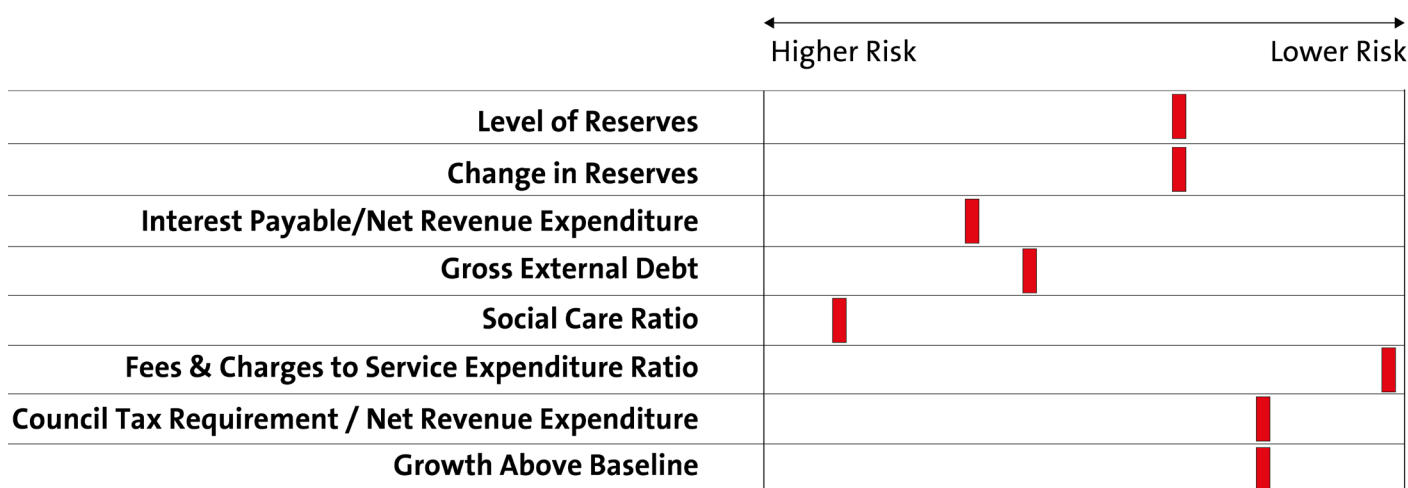
All risks are monitored, and the Audit Committee receives updates on corporate risks and their management actions on a quarterly basis. The final Corporate Risk Register (Q4) is due to be presented to Audit Committee on 29 May 2025, details of which can be found on the council’s internet page (Public 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



## 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 2024-25 and our system of internal control, which is a critical component of our overall governance arrangements.

**Andy Rothery**

**Director of Finance (Section 151 Officer)**

# Statement of Responsibilities

## The Authority's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the 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 2025.



**Andy Rothery**  
**Executive Director of Resources (Section 151 Officer)**  
**26 January 2026**

# 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 2025, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement, the HRA Income and Expenditure Statement, the Statement of movement on the HRA balance, the Collection Fund Income and Expenditure Account, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Consolidated Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including material accounting policy information. 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 2024/25.

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 2025 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 2024/25; 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 Executive Director of Resources (Section 151 Officer)'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 Executive Director of Resources (Section 151 Officer)'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 2024/25 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 2024) 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 Executive Director of Resources (Section 151 Officer)'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 Executive Director of Resources (Section 151 Officer) 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 Executive Director of Resources (Section 151 Officer) 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 2024/25, 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 Executive Director of Resources (Section 151 Officer)**

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 Executive Director of Resources (Section 151 Officer). The Executive Director of Resources (Section 151 Officer) 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 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director of Resources (Section 151 Officer) 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 Executive Director of Resources (Section 151 Officer) 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 2024/25, Local Government Act 1972, Local government and Housing Act 1989, Local Government Finance Act 1988 (as amended by the Local Finance Act 1992 and the Local Government Finance Act 2012), the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003.
- 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 management override of controls. We determined that the principal risks were in relation to journal entries that altered the Authority's financial position for the year and potential management bias in significant accounting estimates related to property, investment and pension 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 the outturn, postings by unusual users and postings by those with administration 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 and defined benefit pensions liability valuations; and

- 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 detecting 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, including the potential for management override of control. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team'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.

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](http://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 2025.

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

On the 14 November 2024 we identified significant weaknesses which continues to be in place on 6 October 2025, although progress has been made in relation to these matters:

- Two significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. This is in relation to significant weaknesses in arrangements for social housing standards and non-major planning applications. We recommend that the Authority:

- address the failings raised by the social housing regulator
- ensure that appropriate steps are maintained within the service to avoid the issues that led to the backlog recurring, thereby enabling the designation notice to be lifted at the earliest opportunity.

On the 14 July 2023 we identified significant weaknesses which continues to be in place on 6 October 2025 due to limited progress being made:

- Two significant weakness in how the Authority plans and managements 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 Dedicated Schools Grant (DSG) deficit. We recommend that the Authority:
  - undertake further immediate action to contain expenditure and deliver savings on a recurrent basis across all service areas with specific focus on Adult social Care and Children's services
  - continue to drive forward its DSG management plan to ensure actions are delivered as planned and at pace.

### **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 have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. 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 – Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for Bristol City Council for the year ended 31 March 2025

- in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.
- due to our consideration of objections brought to our attention by a local authority elector under Section 27 of the Local Audit and Accountability Act 2014. We are satisfied that this work does not have a material effect on the financial statements.

## 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

26 January 2026



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# ***ANNUAL GOVERNANCE STATEMENT***

## ***2024/25***

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

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## 1. Introduction

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- 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. Bristol City Council has approved and adopted a Code of Corporate Governance (the Code). The Code, which is consistent with the principles of the CIPFA/SOLACE Framework, sets out the framework for ensuring each of the core principles of good governance is met by the council and is reviewed annually. The Code is intended to support the leadership of the Council with developing and maintaining robust governance arrangements.
- 1.3 In May 2022 a referendum on the governance arrangements for the council resulted in significant changes to our governance structure effective from 2024/25 onwards, moving from an Elected Mayor and Cabinet model of governance and decision making to a committee system of governance. Subsequently, the Council approved a new constitution that aligns with the new system in January 2024 and updated its Code of Corporate Governance (Code) to reflect these changes.
- 1.4 The new governance model has embedded throughout 2024/25 and has established new arrangements for the publication of Forward Plans, cross-party working with Councillors and training and development for Members and officers regarding the new arrangements. A planned review of the new arrangements commenced in the Autumn of 2024 and concluded in Summer 2025. The recommendations from the review were approved by Full Council on 4 November 2025. Overall, the transition from the mayoral model to the committee system has been successful with no significant governance issues arising from the implementation of the new arrangements.
- 1.5 This Annual Governance Statement (AGS) explains how well the council has complied with the Code of Corporate Governance and provides an overview of how the council's governance arrangements have operated during 2024/25 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.
- 1.6 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 and areas identified as part of the year-end review as requiring improvement.

## 2. Conclusions and Statement of Commitment

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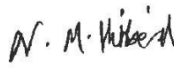
- 2.1 Good governance is about ensuring that an organisation is effectively and properly run. It is the means by which the council shows it is taking decisions for the good of the people of Bristol, in an inclusive and open way. It requires standards of behaviour that support good decision making, collective 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 has continued to operate in a challenging financial environment characterised by years of funding increases not keeping pace with cost and demand increases and the need to deliver a balanced budget against the backdrop of realising considerable savings. In response, the council continues to look at innovative and transformative measures to manage the demand and ensure that resources are directed at providing the right quality services.
- 2.3 The Council has three wholly owned council companies - Bristol Holding Ltd, Bristol Waste Company Ltd and Goram Homes.
- 2.4 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 generally effective. The Chief Internal Auditor has provided reasonable assurance that the council's internal control, risk and governance framework was operating as intended and has improved from last year. However, some control weaknesses have been identified in some operational areas which may impact effective delivery of services if not adequately addressed. These areas will be monitored throughout 2025/26 by the Corporate Leadership Board and the Audit Committee to ensure required levels of improvement are achieved.
- 2.5 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: 26/01/2026

**Councillor Tony Dyer: Leader of the Council**

Signed: 

Date: 26/01/2026

**Nick Hibberd: Head of Paid Service**

Signed: 

Date: 26/01/2026

**Andy Rothery: Section 151 Officer**

Signed: 

Date: 26/01/2026

**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 2024/25. 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 External Auditors attend meetings of the Audit Committee throughout the year.
  - 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. The Audit Committee received a high-level overview of external inspection activity of council services which set out key inspection findings along with arrangements for implementing any recommendations arising from them in March 2025.

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

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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 2024/25.

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

#### Governance In Action (2024/25)

##### **Behaving with Integrity and demonstrating strong commitment to ethical values:**

The council's **Corporate Strategy** and **Workforce Strategy** set out the **values and behaviours** it expects from its employees. Both were refreshed and the new Workforce Strategy focuses on a one council culture and values-led leadership. The new Corporate Strategy 2025-30 was approved by Full Council in May 2025 and the Workforce Strategy 2025-30 was approved at the Strategy and Resources Committee on 14<sup>th</sup> July 2025.

Assurance is obtained through ensuring staff are aware of our values and standards expected and the mechanism to safely report when they feel they have not been upheld. This is through the council's induction programme for new employees which includes a section on our expected values and behaviours. There is also an e-learning module devoted to this.

Colleagues are asked to describe how they demonstrate our Values and behaviours in their bi-annual performance review.

An **annual staff survey** is carried out with specific questions on awareness of our values and whether staff 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 determine actions required to further support achievement of the values and standards.

**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. An online declarations of interest process was introduced during the year to support greater oversight of compliance.

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. **A Member Officer Protocol** is also in place to detail how members and officers should work together.

**Counter-fraud arrangements** are in place including **whistleblowing reporting procedures** to enable wrongdoing to be reported and dealt with effectively. Counter fraud training, which includes coverage of whistleblowing procedures is delivered each year in key areas. In planning service delivery, managers are asked to consider fraud risks facing their services and complete fraud risk assessment where risks are significant. Outcomes from counter fraud and related activities are reported to the Audit Committee twice a year.

### **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 reviewed its decision pathway processes as part of the transition to the Committee Model of governance. Officer decisions are published on the Council website. All decisions taken by Policy Committees are scrutinised by the relevant committee as part of the decision-making process and all decisions taken by Policy Committees have been taken in accordance with the Council's policy and budget framework, with professional officer advice provided, in particular finance and legal advice

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. Managers have also provided a good level of assurance that statutory duties have been complied with.

The **Director Workforce and Change** advises that during 2024/25 work began on a refreshed Workforce Strategy. The drafting of the full strategy was paused whilst work on the new Corporate Strategy took place to ensure the priorities were in alignment. The Workforce Strategy was approved in July 2025. It included input from staff, staff-led-groups, trade unions and leaders on the priorities. One section is devoted to culture and leadership and how we will further develop an inclusive and values-driven culture and our plans for leadership development.

The **Director Workforce and Change** has confirmed that the number of employee grievances and disciplinary cases have fallen since peaking in 2020. A reduction in the numbers of cases in the last 12 months has been seen. An open dialogue and early resolution are always encouraged where appropriate, and the use of mediation has increased. As at the end of February 2025, 13 grievance cases are open (relates to 0.2% of the workforce) which is down from 21 at the same time last year. 22 disciplinary cases are open (0.3% of the workforce). This is down from 33 at the same time last year.

Annually, a **staff survey** asks a number of questions relating to the working environment and fairness experienced. In 2024, the survey saw a slight decrease in the 'Working Environment and Fairness' elements of the survey with overall positive answers decreasing from 61.3% in 2023/24 to 59%. 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 82% (83% in 2023/24) said they were aware and 58% (56% in 2023/24) said they were confident to use them.

An **Internal Audit review** of Equalities – Planning and Impact Assessments concluded reasonable assurance that sound arrangements are in place in this area. In 2024–25, we completed 507 EqlAs to support a wide range of activities, including decision-making, the development and review of policies and strategies, commissioning and procurement processes, operational works, and budget setting.

### **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 Council's policy and budget framework with professional legal and finance officer advice.

The **Monitoring Officer** has confirmed that all Councillors signed up to the Member Code of conduct and made declarations of interest following the May 2024 elections. Training was provided as part of the Member induction programme on the member code of conduct. Complaints have been dealt with in line with the Council's established procedures. There have been no formal investigations into Members' behaviour.

**Statutory and Key Officers** have confirmed that relationships between officers and Members is good and constructive.

### **Focus of Future Improvement:**

Develop guidance for employees and managers on how to use the on-line declaration of interest system.

## **Principle B – Ensuring openness and comprehensive stakeholder engagement:**

### **Governance In Action (2024/25)**

Our **Communications Strategy 2019/2023** set 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. It is now planned for review following the publication of the updated Corporate Strategy, to ensure it aligns to the council's priorities.

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. Officers including managers and partnership owners received communications reminding them of their obligations and the Council policy requirements.

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 Board and wider system. A recent example of open and comprehensive engagement is the Co-production Policy for Adult Social Care, for which the Council chose to work directly with disabled people, carers and community-led equalities organisations representatives via a Policy Working 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, waste services options, and Liveable Neighbourhoods. Whilst sometimes contentious, the council has demonstrated active listening and responsiveness to citizen and service user feedback, making

material changes to its approaches following consultation. For example the South Bristol Liveable Neighbourhood engagement (Oct-Nov 2024) involved a map-based engagement (online and through facilitated drop-in sessions) which received over 6,000 location-specific reports of issues that people wanted drop-improved, aspects of the area that people liked and wanted retained, and ideas for how to solve problem issues. These were key to the design of draft proposals for area-wide interventions to address traffic problems and provide local streetscape and environmental improvements.

### Review of Compliance

**Management assurances** have confirmed a reasonable level of assurance that effective arrangements for partnership working are in place although some areas have shown less confidence in this area.

The **Local Government and Social Care Ombudsman** report in respect of 2023/2024 complaints against the council was published and considered by the Audit Committee in October 2024. The Ombudsman made no public interest reports. The Council has retained ISO 10002:2018, Complaints Handling in organisations certification for the ninth year running.

Following a final monitoring meeting to review progress against the Accelerated Progress Plan focussed on building positive relationships with parent carers on 7<sup>th</sup> November 2024, **the DfE** confirmed that the local area has made sufficient progress and that formal monitoring would be discontinued.

### Focus of Future Improvement:

Update of Communications Strategy in 2025/26.

An Internal Audit to test compliance with the Partnership Policy in 2025/26.

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

### Governance In Action (2024/25)

Outcomes are defined in the **Corporate Strategy 2022-27** 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. For 2024/25, Service Plans had Director and Cabinet Member sign-off, and Director Summaries of Service Plans had Director sign-off and included political engagement with relevant Policy Committee Chairs. The Annual Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Strategy and Resources Committee annually for noting. A new Corporate Strategy 2025-2030 has been developed to ensure the Council continues to meet the changing needs of the city.

During 2024/25 significant work was undertaken to write **a new economic strategy - Fair, Green and Thriving: Bristol's Economic Strategy 2025 - 2035** - which was approved by the Economy and Skills Committee in February 2025. This process included a full review of evidence and sets the medium-to-long term direction for an economy which maximises sustainability, social and environmental benefits.

The council's key decision-making process includes written assessment of **Ecological Impacts**, 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** help improve the corporate governance of work across the Council. **Mandatory Climate change awareness e-learning** helps 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. Arrangements for monitoring receipt of social value have been refreshed for new contracts from 2025/26 with training provided to managers to embed these changes.

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.

#### **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.

#### **Focus of Future Improvement:**

Recommendations for improvement in operation of the Climate and Ecological Management Board are in development and need to be finalised and implemented.

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

### **Governance In Action (2024/25)**

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 followed the annual budget setting process, enabling realistic planning which takes account of the financial envelope available.

The process includes **action-planning with timed milestones, and reviews of KPIs** and target-setting against agreed metrics. Service Plans have Director sign-off and include political engagement with relevant political leads. The annual Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Strategy and Resources Committee annually for noting.

All **major transformation and change projects** follow a prescribed methodology including 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 and Policy Committees. 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 Committees.

For 2024/25, four priority transformation programmes (Adult Social Care, Our Families, Property and Tackling Homelessness) were identified due to their alignment with the Council's goals. These **'Top 4' Programmes** have been closely monitored through relevant **Programme Boards**, and via the Portfolio Management Office to **Corporate Leadership Board**.

A **Data and Analytics Board** was in place to oversee governance arrangements around data projects, strategic workforce planning, financial management and contract management. A **Data**

**and Transformation Academy** helps colleagues develop their data analysis skills to support improvement of business processes.

The Council's **Digital Strategy was updated** and approved by the Corporate Leadership Board in September 2024. Amongst other things this commits the Council to consider the ethical implications of using data in service delivery.

### 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. Managers have however identified concerns relating to the quality of data held in IT systems and an **Internal Audit review of Data Quality** concluded limited assurance in the council's approach to data management and data quality

An **Internal Audit review of the Council's Digital Strategy** concluded reasonable assurance that the process in place to monitor delivery of the actions supporting the strategy are effective. Internal Audit has also provided advisory support in development of the new strategy, as did the council's Digital Strategic Partner.

### Focus of Future Improvement:

Improve measurement and tracking of non-financial benefits in priority and other programmes to demonstrate how service delivery is being transformed.

Launch Ethical Impact Assessments process for relevant staff, embed usage within data projects and embed requirements within induction and learning plans for relevant staff.

Implement capital programme delivery and governance improvements agreed following lessons learned report and an internal audit review to increase delivery of the capital programme in line with budget plans.

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

### Governance In Action (2024/25)

**Our Workforce Strategy**, updated for 2025/26, sets out the actions we will take to support workforce and leadership development; our approach to workforce planning to address diversity and inclusion gaps and the type and level of skills needed for the future, how we will attract, retain and develop talent within the organisation.

Our **leadership development programme** offers training and coaching at all levels including new and aspiring team managers. This is being refreshed for 2025/26 to take account of emerging development needs linked to the priorities in the new Workforce Strategy and the ask of managers in leading change and delivering core services.

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 the introduction of **'Grow your Career' hub** on the Source. This provides advice on identifying skills, career development plans, application and interview skills. **Diverse Voices** is a positive action initiative designed to support under-represented groups with their career development. The programme was refreshed for 2024 based on feedback from previous cohorts. The new programme now includes a broader range of career development opportunities including action learning sets, workshops and 2-to-1 coaching available for all participants to support with their career progression.

A range of HR 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.

**New Health and Safety (H&S) governance arrangements** have been introduced in 2024 in response to a limited assurance internal audit. The new arrangements ensure there is greater corporate over-sight of H&S standards and risks and included a strengthened reporting line for escalating local risks through to a steering group for action, reviewing data and developing corporate-wide strategy and policies. The new arrangements are still embedding but include a quarterly update to Health, Safety and Wellbeing Executive Board (comprising the Corporate Leadership Board) and a detailed annual report on our health, safety and wellbeing to the Corporate Leadership Board and HR Committee in March 2025.

In terms of capacity to respond to change, the **Portfolios, Programmes and Projects (PPP team)** each year work with senior leaders and other services to baseline the council's change and transformation portfolio and ensure appropriate resources are in place for the effective planning, delivery and monitoring of the programmes. During 2024/25 additional strategic resource was deployed to bring assurance of delivery, provide external, independent assurance and advice and make recommendations on how the programmes can improve confidence in delivery.

During 2024, progress has been made to stabilise the senior leadership team. **Recruitment** took place to fill the **permanent Chief Executive and permanent Finance Director (Section 151 officer) roles**, with postholders starting on 6 January 2025. Interim roles were in place to provide continuity in cover for these statutory roles for a defined period to ensure a comprehensive induction and handover was in place. All Chief Officer Recruitment is undertaken in accordance with Selection Committee procedures.

Recruitment also took place for the appointment of an **interim Director of Housing and Landlord Services** whilst a strategic review of Housing took place. As a result, the decision was taken to create **a new Housing directorate and a new role of Executive Director: Housing** was created. This is currently filled on an interim basis to help establish the new directorate ahead of a permanent appointment to the role.

Recruitment has also taken place to replace other interim roles in the senior leadership structure with permanent roles. A **permanent Director of Education** was appointed in February 2025 and recruitment of a **permanent Executive Director: Growth and Regeneration** was also successful in March 2025.

Whilst the council aims to directly employ all Chief Officers and Deputy Chief Officers (Chief Executive, Executive Directors and Directors) it may be necessary/desirable to fill posts using an agency worker or consultants. Procedures for hiring to these roles is covered in the appendix to the **Pay Policy Statement** - approved by Full Council in March each year. Where the use of agency and interim workers is required to cover an established position where it is difficult to recruit or to cover additional work, any placements over a certain threshold require Chief Executive approval and are regularly reviewed to ensure there is a clear exit strategy.

Recruitment has taken place for a permanent Director: Economy of Place. Looking ahead at the future needs of the organisation, the scale of the transformation work and the level of investment in place to deliver it, in particular in Adults and Communities and Children and Education directorates, we have recruited to two Director roles – Director: Commissioning – Adult Social Care and Director: Strategic Improvement and Collaboration in Children and Education.

Each post in the senior leadership team has clear accountabilities as detailed in the independently reviewed job paperwork.

A **Harbour Committee** was established fulfilling the required corporate change to a committee system and meeting a 2022 Harbour Operational Review recommendation that ensures the Harbour is operating in accordance with the DoT Good Ports Guidance Code. A ring-fenced account of the Harbour Authority has been established and a 5-year financial plan is in place to achieve a balanced income / expenditure budget. A Harbour 'Designated Person' and 'Duty Holder' have been appointed and a Harbour Stakeholder Group has been formed to meet Harbour Governance requirements and improve engagement with current and future service users.

A **Strategic Partnering approach** has continued in several areas to support delivery. These include capital programme delivery, procurement and contract management, transformation programme delivery, internal audit services and IT/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 now in place with performance appraisals taking place. (74% staff reporting they have had one in the 2024 staff survey. This is down from 77% last year).

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. Our average working days lost have fallen from a peak of 12.5 days per employee in November 2022 to 9.2 days in March 2025. HR work pro-actively with managers to assist attendance management. We continue to take preventative measures to reduce sickness absence through our Health and Wellbeing Plan and Workforce Strategy.

The **Annual Health, Safety and Wellbeing report to Human Resources Committee** has confirmed that accidents and incidents have reduced for 2024/25 and there has been no enforcement action from regulators during the year. Compliance with the Corporate Health and Safety Monitoring System introduced is at 100%.

An **Internal Audit of Health and Safety arrangements** providing reasonable assurance that arrangements have improved.

An **Internal Audit review of Interim Staffing** has been completed and provides reasonable assurance that processes for the approval, procurement and monitoring of interim staffing are robust.

### Focus of Future Improvement:

The current leadership development programme is being reviewed to align with the priorities identified in the new Corporate Strategy and Workforce Strategy, and any transformation work required to help the council become fit for the future.

Development of the new governance arrangements in place in respect of the Harbour to ensure they embed and are fit for purpose.

Development work in 2025 to be able to report more accurately on the completion of performance appraisals.

Further work to refine and improve the governance arrangements in relation to health and safety, including establishing a H&S professional advisors' group to ensure consistency in standards and shared learning.

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

### Governance In Action (2024/25)

#### 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, and Policy Committee 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, 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. 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.

**Performance and organisational health dashboards** are available to managers, senior leaders and Members, enabling always-on live review of key indicators. Every quarter, corporate performance against the Performance Framework is reported to Corporate Leadership Board and to all Policy Committees, including a council-wide overview at Strategy and Resources Committee. Papers are published publicly on the council's website. Concerns have been raised by the external auditor as to the timeliness of these reports and options for quicker reporting to Committees was brought to CLB during the 2024/25 review of the performance framework. However, the need for accurate reporting and initial senior officer review, coupled with the council's extensive decision pathway process, meant the decision was taken to retain a longer process with later reporting to Committee than other quarterly reports.

A **Quality, Improvement and Performance Board** was also introduced to provide oversight across children's services.

#### Managing Risk:

All service, directorate and corporate risks are reviewed regularly in line with the **Risk Management Policy**. 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.

The council has largely completed a **major transformation programme for IT**. This programme was set up in part to address resilience risks and historic technological deficit. Projects completed within 2024/25 include replacing the council's telephony platform; moving and upgrading remaining systems to the Cloud; and completing end-user compute security upgrades. Work continues to redesign and replace the council's corporate network. Within the council's main Cloud infrastructure (Azure and SharePoint), system uptime has been maintained at 99.99%, an improvement from 98.5% and 95% equivalent uptimes from previous arrangements. The council's Azure environment has been enabled for the possibility of improved security measures such as compliance to the UK official and the UK NHS regulatory Azure Policy.

An **annual IT Health Check** (penetration testing) is undertaken to ensure continued identification and mitigation of any network risks, and to retain PSN compliance.

### **Strong Financial Management**

An assessment of compliance with **CIPFA Financial Management (FM) Code** was revisited in 2023/24 and shows reasonable levels of compliance against many of the code's standards. The Council continues work to improvement against the assessment. Changes to accounting policies have been reported to the Audit Committee.

The **finance functions** have been resourced to meet the competing demands across the finance function. Whilst recruitment and retention remain an issue, the Council's Statement of Accounts were complete in Nov 2024, ahead of the statutory deadline, and the Council's budget and Council tax resolution was complete and published to meet all committee deadlines for the 2025/26 budget.

The council's **financial strategy** facilitates the delivery of Corporate Strategy aims while defining the key budget assumptions and availability of funding to enable prioritisation of delivery priorities. This approach has shaped the Council's budget proposal for 2025/26. **A new Budget Framework** was introduced when setting the 2025/26 budget which sees collective ownership and collaboration with service management in setting the budget. Additional governance during 2024/25 has been put in place to improve the financial management of the Council, these include a) **expenditure control panel**, b) **procurement and contracts review panel**, c) a **workforce review panel** and the **Business Considerations Board**.

**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.

### **Review of Compliance**

**Management Assurances** confirm that budget monitoring and risk management processes are embedded across most teams however the consistency with which information governance and contract management is in place needs attention.

The **Director for 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.

The council's **Chief Finance Officer (CFO)** has confirmed it has not been necessary for any statutory reports to be made or considered during 2024/25 in their role as Section 151 Officer. The Council's 24/25 period 12 position reports a year end over-spend however this outturn is funded from corporate mitigations and does not require use of the un-earmarked general reserve. The 2025/26 budget is balanced with suitable level of reserves to manage risk with robust estimate of service demand.

The council's **Senior Information Risk Owner** has confirmed that the Council has complied with its duties in respect of the management of data. There are no significant exceptions or breaches with information governance policies during 2024/25. However, an enforcement notice relating to a backlog of Freedom of Information Requests (FOIs) was served on the Council by the Information Commissioner's Office. This notice has now been complied with. Subsequently, an enforcement notice relating to a backlog of Subject Access Requests (SARs) was served on the Council by the ICO and the Council has developed an improvement plan to address this.

**Cyber security** assessments by external providers and Internal Audit have provided reasonable assurance that controls and risk management arrangements are in place.

**Internal Audit work in a number of finance related areas have concluded reasonable assurance** that arrangements are robust. These include reviews of Financial Resilience, Savings Delivery, Accounts payable fraud and error testing, Payroll controls and Treasury Management. However, a review of Debt Management and contract management concluded limited assurance (reference section 5)

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 2024/25. An annual internal audit plan has been agreed with each company Audit Committee to enable provision of independent assurance to them. Bristol Waste Company has experienced many changes to its Board and at senior management level during the year but have now secured a permanent Managing Director and Finance Director. The Group of companies has re-procured its External Auditors resulting in a change of auditor going forward.

### **Focus of Future Improvement:**

Review and update the council's performance framework to ensure alignment to the updated Corporate Strategy. Within this process, consider long term performance trends and how to improve overall performance to greater than 50% achievement of key measures. Review the council's governance arrangements and consider if and how more timely reporting of quarterly performance to Committees can be accomplished.

Development work in 2025 to be able to report more accurately on the completion of performance appraisals.

Review and update the risk management policy and risk appetite to reflect adopted risk practices Determine risk management training needs across the council and track training provision. Explore incorporation of risk management as part of staff induction. Design a comprehensive risk management timetable in our annual risk management plan

Improve information asset ownership across the council to ensure roles and responsibilities are understood and carried out. Engage managers across the council to support more effective records management and resolve issues identified at audit.

Continuous improvement on the management of Freedom of Information requests and implement improvement plan in relation to Subject Access Requests.

Procure and implement a Managed Extended Defence and Response (cyber security) contract and complete Key Line of Business Systems disaster recovery needs assessment. Work with system supplier (System C) to arrange and action a Disaster Recovery test.

The Council has a significant reliance on flexible use of capital receipts to deliver transformation. The Council needs agile and strong governance that facilitate timely and effective decision making in key asset disposals to ensure the budgeted capital receipts target is achieved to support transformation programmes within the Council.

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

### Governance In Action (2024/25)

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

**Officer Decision Notices** are overseen by Executive Director Meetings and Executive Support Managers have procedures in place to ensure the publication of Officer Decision Notices. Emergency Officer decisions are sometimes required and will be reported to the next policy committee meeting.

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. In April 2025, the Committee undertook a workshop to reflect on its effectiveness. Outcomes from this were reported in the Committee's Annual Report to Full Council. Recruitment is currently in progress to replace two independent members whose tenure has or will shortly end.

### 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 2023/24 accounts provided an unqualified opinion. The external auditors also review the council's arrangements for Value for Money. In doing so, they identified a number of significant weaknesses in relation to the management of demand led services and reducing the DSG deficit and Social Housing Standards. These matters are reflected in Section 5 of this statement. Additionally, they identified weaknesses in relation to non-major planning applications and procurement breaches. Significant work has been undertaken to resolve these matters and performance has improved. Hence these matters are no longer included in section 5 of this statement.

The **Chief Internal Auditor** in their annual report for 2024/25 provided reasonable 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. This represents an improvement from 2023/24 when limited assurance was provided. Key reasons for this include that no 'no assurance' opinion was given in 2024/25, a higher proportion of audits concluding reasonable or better assurance together with marked improvement in some key areas such as savings delivery, implementation of improvement actions agreed, compliance with internal procurement rules and strong management assurances at year end. However, there were some areas where controls were assessed as weak and these will be regularly reported to senior management and the Audit Committee.

**Statutory and Key Officers** have confirmed that no Best Value notices have been received during the year.

After a comprehensive assessment by the **Care Quality Commission**, the Council's Adult Social Care function has been officially rated as 'Good'. Strengths included our person-centred approach and good working relationships with the NHS, voluntary, community and social enterprise (VCSE) partners in care provision. Areas for improvement identified in the report are already part of our continuous improvement plan and the Adult Social Care Transformation Programme.

**Focus of Future Improvement:**

Finalise recruitment of independent members to the Audit Committee.

## 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 2023/24 which are not yet fully resolved:

Item	2023/24 Issue	Progress Update and Improvement Actions
1	<p><b>Dedicated Schools Grant (DSG)</b></p> <p>Bristol's DSG has reported an annual net deficit for several years, with a cumulative deficit of £39.7m as at 31 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.</p> <p>Whilst many actions have already been taken to address this, the total deficit is increasing. At 31st March 2025 the deficit stood at £55.892m. Further actions are planned.</p> <p>(Reference also item below re Children's Services).</p>	<p>In March 2024, the council entered into a Safety Valve Agreement with the DfE as part of a plan to address the deficit on the DSG reserve. This agreement required the council to achieve certain defined maximum levels of deficit on its DSG reserve in each of the seven years 2023/24 to 2029/30. In addition, the council committed to implement an agreed action plan including to:</p> <ol style="list-style-type: none"> <li>1. Co-produce and implement a city-wide SEND Inclusion Strategy to improve partnership working, joint accountability, planning, commissioning, and delivery, ensuring that SEND services are needs led;</li> <li>2. Enhance early intervention, effective outreach, school improvement and targeted funding to enable increased numbers of children and young people with Education Health Care Plans (EHCPs) to be successfully supported in mainstream settings;</li> </ol>

		<ol style="list-style-type: none"> <li>3. Use a 'Test and Learn' approach to support the development of creative and dynamic ways to retain young people in quality mainstream provision, meeting their needs, improving their educational outcomes and reducing the risk of exclusion;</li> <li>4. Co-design, with schools, a standard practice of excellence in supporting children and young people with SEND through LA-commissioned SEND School Improvement Officers;</li> <li>5. Improve the EHCP process through measures including speeding up time taken for assessments, plans and reviews;</li> <li>6. Ensure effective joint governance of SEND improvement across the city, including improving quality and use of data for management performance and service planning, leading to improved accountability and speed of change;</li> <li>7. Build provision to meet current and future demand with a focus on creating a flexible education estate that can adapt to changes in need.</li> </ol> <p>We are making progress in delivery of the SEND strategy and Deficit Management Plan which is overseen by a SEND and AP (Alternative Provider) Executive Board with an external chair and reports three times a year to CYP committee, S&amp;R Committee, Schools Forum and to the DfE in relation to the Safety Valve agreement.</p> <p><b>Executive Director, Children &amp; Education</b></p>
<p><b>2</b></p>	<p><b>Savings</b> 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.</p> <p>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. The 2023/24 position showed a marginal improvement in in-year delivery of 67%.</p>	<p>Savings performance for 2024/25 is 77.5% which is a significant improvement on previous years. with £38.9m delivered against a total of £50.2m, the balance is being mitigated through the application of the corporately held contingency for optimism bias. Savings delivery progress and performance is monitored through departmental and corporate leadership meetings and reviewed in detail through the delivery executive meetings.</p> <p>The savings process and realisation of plans will remain under review. Any balances that have not been fully mitigated in 2024/25 will be carried forward for delivery in 2025/26.</p> <p><b>Director, Finance</b></p>
<p><b>3</b></p>	<p><b>Children Services</b> Children, Families and Community Safety services are operating in a</p>	<p>We have established an externally Chaired Improvement board (QUIP) which reviews performance progress and Quality Assures areas of operational</p>

	<p>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'.</p> <p>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. This has resulted in a significant overspend by the service over recent years.</p> <p>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.</p>	<p>practice monthly. It also includes our partners in health, education and the police as well as corporate representatives.</p> <p>A focused visit took place under the ILACs framework in February 2025 looking at practice at the social care front door. It found improvements particularly in leadership, practice and workforce developments as well as in partnership working. There were two areas of improvement in timelines and use of data which were areas the team were already working on. The focused visit stands us in good stead on the journey to a full ILACS in early 2026.</p> <p>Our Families was the directorate's transformation programme developed in 2023 to deliver improvement and savings across children's social care and particularly the care market. It included a number of successful projects including a focus on workforce recruitment and service changes following the last Ofsted inspection. It also included a number of capital-based supply side projects including the increase in the number of children's homes in Bristol, supported accommodation for young people in crisis and capital adjustments to homes for foster carers.</p> <p>In common with other councils, Bristol has continued to see rises in the level of demand and complexity of need from children and families, as seen in the numbers of children subject to child protection plans and those applying for EHCPs.</p> <p>During 2024 the transformation programme has been revised in line with the social care reforms with a stronger focus on earlier help and prevention by:</p> <ul style="list-style-type: none"> <li>• Targeting more resources at preventing children from coming into care.</li> <li>• Rebalancing the placement mix so that children that are taken into care are in the right placement type at the right time.</li> </ul> <p>The new programme is branded Families First. The business case and investment has been approved by Corporate Leadership Board (10.12.24) and CYP Committee (23.01.25) and is now in the mobilisation phase ahead of the delivery phases due to commence in May 2025.</p> <p><b>Executive Director, Children &amp; Education</b></p>
<p><b>4.</b></p>	<p><b>Social Housing Standards</b> 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</p>	<p>In July 2024 the council received a C3 rating from the Regulator of Social Housing that said the council needed to improve services. The council is working closely with the Regulator and has implemented an improvement plan.</p> <p>The programme includes:</p>

<p>of regulatory bodies (including the Regulator of Social Housing, Building Safety Regulator, Health and Safety Executive, Housing Ombudsman and Homes England).</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• how we inspect and survey homes and how we collect data to ensure that we have good records</li> <li>• improving our performance on resolving resident complaints</li> <li>• reviewing our approach to tenancy management and how we allocate and let our homes</li> <li>• a strategic review of our housing services to ensure the service meets the needs and aspirations of our residents.</li> </ul> <p><b>Executive Director, Housing and Landlord Services.</b></p>
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5.3 The following matters have been identified from the review of 2024/25 arrangements:

<b>Item</b>	<b>Issue 2024/25</b>	<b>Key Actions</b>
<b>5</b>	<p><b>Debt Management</b></p> <p>The council has total debt of c£200m across all budgeted income including, council tax, business rates and chargeable services. Debt has remained at this level during 2024/25 and will become an issue if uncollected due to the risk that debt write offs are higher than the amount held in provision for bad debt.</p>	<p>Establish a council wide programme of work to co-ordinate the management of outstanding debt across the council.</p> <p>Amend the council’s corporate debt policy to help inform the approach taken to income management and debt recovery across the council.</p> <p>Build council wide and service specific debt reports that can be used and regularly reported against to assign recovery activity and monitor progress.</p> <p>Set up a corporate debt management board and project team to help govern and support the debt management programme.</p> <p><b>Director, Finance</b></p>
<b>6</b>	<p><b>Contract Management</b></p> <p>Bristol City Council at 31st October 2024 listed 2,371 active contracts on its contract register. Contract management is a continuous procurement process that ensures suppliers – and buyers – adhere to their agreed contractual obligations, along with negotiating any future changes that need to take place. Management of these contracts is vital to ensuring value for money is achieved</p>	<p>To develop our approach to contract management the follow actions are being put in place:</p> <ul style="list-style-type: none"> <li>• Report quarterly to Executive Director Meetings on incomplete or out-of-date information in the contract register, and contracts with no contract manager.</li> <li>• Communicate with service areas on the importance of periodic review of contract record completeness, and the requirements to correctly classify contracts.</li> <li>• Clarification in the contract management guidance of roles and responsibilities.</li> <li>• Analysis of council wide contract spending to identify efficiencies through new procurement opportunities,</li> <li>• Explore further training opportunities for contract managers.</li> <li>• Revise guidance on checking financial viability.</li> </ul>

		<ul style="list-style-type: none"> <li>• Review leavers process to introduce a notification to contract owners to enable them to reallocate contract managers if previous managers leave.</li> <li>• Review the TAG (tasked and activities guide) in line with industry best practice on renewal, benefits tracking and supplier development.</li> <li>• Amend the TAG, Handbook and Contract Management Plan regarding requirements for escalation.</li> </ul> <p><b>Director, Finance</b></p>
<p><b>7</b></p>	<p><b>Data Quality</b></p> <p>An Internal Audit provided ‘Limited Assurance’ regarding the Council’s approach to ensure that data used for decision-making is accurate, complete and of good quality. This is driven by a lack of clarity at operational level of roles and responsibilities for maintaining data quality; and the lack of periodic review of data sets at operational level (e.g. data sets related to education and social care; payroll; regional council tax payments; and emergency healthcare) for data quality risk; completeness and accuracy. There were also gaps in the council’s strategy framework setting out data quality principles and approach in sufficient detail for operational services.</p>	<p>A Corporate Data Management, Analytics and Insights Policy was approved by Corporate Leadership Board (CLB) in September 2024, and the Data and Analytics Platform (DAP) Data Management Framework details quality standards and management processes for data within this platform.</p> <p>Audit findings have been reported to CLB and the issue of council-wide data quality is being considered within work to establish a council Operating Framework. The central Insight, Performance and Intelligence team is not currently resourced to implement a data quality framework for all of the Council’s data, and this will need review once the Operating Framework is produced and provides a clear corporate steer on the issue.</p> <p>In the meantime, action is taken by services to improve data quality within regular performance review forums and during projects to update or change IT systems. For example, a project to update IT systems in Housing involves a data / reporting workstream and includes data cleansing as data is migrated into the new system.</p> <p><b>Director: Policy, Strategy and Digital</b></p>
<p><b>8</b></p>	<p><b>Mandatory Training</b></p> <p>Mandatory training has not been consistently completed across the organisation, although managers mandatory training completion has remained stable.</p> <p>The impact is the risk that colleagues are not up to date with information and skills they need to undertake their roles effectively and in line with legislation.</p>	<p>Details on mandatory training is available for colleagues on the Source, which includes details of all courses for new starters, and the frequency that refreshers are required</p> <p>Colleagues receive automated emails when mandatory training is due and managers are sent regular summaries of outstanding courses for their team.</p> <p>The Learning &amp; Development team produce reports for managers – for example - a quarterly Safeguarding Awareness report is shared at the Director Safeguarding Leads meeting.</p> <p>Additional actions to be put in place during 2025/26:</p> <ul style="list-style-type: none"> <li>• Offer service or division-specific reports for Heads of Service and Directors to consider and discuss at their team meetings</li> </ul>

		<ul style="list-style-type: none"> <li>• More frequent promotion and reminders to be shared in staff bulletin</li> <li>• Consider adding to the collective performance objectives set each year for Directors and Heads of Service</li> </ul> <p><b>Director: Workforce and Change.</b></p>
<b>9</b>	<p><b>ContrOCC System Weaknesses</b></p> <p>The ContrOCC system manages payments invoices and expense claims in respect of Adult Social Care. A weakness has been identified in the council’s ability to monitor and control spend against Adult Social Care and Housing contracts when the spend is made through direct integrations between the respective case management systems and the finance system (rather than via Purchase Orders). These integrations do allow proper budgetary controls and visibility but can result in contracts being overspent or continued without authorisation and could mean the council is unable to meet all transparency requirements under the Procurement Act 2023.</p>	<p>An interim step of including contract reference numbers into the case management systems has been undertaken.</p> <p>Project resource has been requested to make the required system and reporting changes.</p> <p><b>Executive Director: Adults and Communities</b>  <b>Director: Policy, Strategy and Digital</b></p>

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 2025

Restated 2023/24			2024/25			
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000		£'000	£'000	£'000
344,865	(153,350)	191,514	Adult & Communities	362,262	(159,519)	202,743
199,930	(75,505)	124,425	Children & Education	217,906	(71,597)	146,309
196,487	(137,683)	58,804	Resources	198,032	(137,386)	60,646
293,085	(157,284)	135,801	Growth & Regeneration	277,638	(151,642)	125,996
139,113	(136,771)	2,342	Housing Revenue Account	144,848	(148,323)	(3,475)
245,236	(248,398)	(3,162)	Dedicated Schools Grant	281,927	(252,407)	29,520
7,070	(227)	6,843	Corporate Funding & Expenditure	16,420	(93)	16,327
<b>1,425,787</b>	<b>(909,219)</b>	<b>516,567</b>	<b>Cost of services</b>	<b>1,499,033</b>	<b>(920,967)</b>	<b>578,066</b>
		12,411	Other operating expenditure (Note 8)			15,403
		(6,297)	Financing and investment income and expenditure (Note 9)			(32)
		(558,558)	Taxation and non-specific grant income (Note 10)			(627,750)
		<b>(35,877)</b>	<b>(Surplus) or Deficit on provision of services</b>			<b>(34,313)</b>
			<b>Items that will not be reclassified to the (Surplus) or Deficit on the Provision on Services</b>			
		45,990	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets (Note 19)			(124,622)
		(99,795)	Remeasurement of the net defined benefit liability/asset (Note 33)			(131,934)
			<b>Items that may be reclassified to the (Surplus) or Deficit on the Provision on Services</b>			
			(Surplus)/ deficit on financial assets measured at fair value (Notes 23)			
		(53,805)	Other comprehensive income and expenditure			(256,556)
		<b>(89,682)</b>	<b>Total comprehensive income and expenditure</b>			<b>(290,869)</b>

## Movement in Reserves Statement for the year ended 31 March 2025

	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 2023 Restated		29,527	130,541	(759)	159,309	98,795	655	99,450	104,967	10,001	7,131	380,855	2,301,653	2,682,507
Movement in Reserves during 2023/24														
Surplus or (deficit) on the provision of services		33,955			33,955	1,922		1,922				35,877	-	35,877
Other Comprehensive Expenditure and Income					-			-				-	53,805	53,805
Total Comprehensive Expenditure and Income		33,955	-	-	33,955	1,922	-	1,922	-	-	-	35,877	53,805	89,682
Adjustments between accounting basis and funding basis under regulations	Note 17	(2,624)	-		(2,624)	(29,419)		(29,419)	(41,066)	348	7,440	(65,318)	65,318	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		31,332	-	-	31,332	(27,497)	-	(27,497)	(41,066)	348	7,440	(29,440)	119,123	89,682
Transfers to/(from) Earmarked Reserves	Note 18	(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)	119,123	89,682
Balance at 31 March 2024 Carried Forward Restated		24,571	168,424	(2,529)	190,466	71,298	831	72,129	63,901	10,349	14,571	351,415	2,420,777	2,772,191
Adjustment to Opening Balance: IFRS 16 Lease Transition	Note 27	-	-	-	-	-	-	-	-	-	-	-	10,584	10,584
Movement in Reserves during 2024/25														
Surplus or (deficit) on the provision of services		(11,252)	-	-	(11,252)	45,565	-	45,565	-	-	-	34,313	-	34,313
Other Comprehensive Expenditure and Income					-			-				-	256,556	256,556
Total Comprehensive Expenditure and Income		(11,252)	-	-	(11,252)	45,565	-	45,565	-	-	-	34,313	256,556	290,869
Adjustments between accounting basis and funding basis under regulations	Note 17	4,937	-		4,937	(69,607)		(69,607)	(26,178)	(349)	1,443	(89,754)	89,754	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(6,315)	-	-	(6,315)	(24,042)	-	(24,042)	(26,178)	(349)	1,443	(55,441)	346,310	290,869
Transfers to/(from) Earmarked Reserves	Note 18	19,545	(14,378)	(2,070)	3,097	(2,992)	(97)	(3,089)	(9)	-	-	(1)	1	-
Increase/(Decrease) in 2024/25		13,230	(14,378)	(2,070)	(3,218)	(27,034)	(97)	(27,131)	(26,187)	(349)	1,443	(55,442)	346,311	290,869
Balance at 31 March 2025 Carried Forward		37,800	154,046	(4,599)	187,248	44,264	734	44,997	37,713	10,000	16,014	295,973	2,777,671	3,073,644

## Balance Sheet as at 31 March 2025

Restated 31-Mar-24		Note	31-Mar-25
<u>£'000</u>			<u>£'000</u>
3,057,981	Property, Plant & Equipment	<u>19</u>	3,264,758
-	Right of Use Assets	<u>19</u>	43,118
216,256	Heritage Assets	<u>20</u>	219,256
8,192	Intangible Assets	<u>22</u>	6,061
315,591	Investment Property	<u>21</u>	339,602
54,131	Long Term Investments	<u>23</u>	54,060
54,910	Long Term Debtors	<u>28</u>	57,752
<b>3,707,061</b>	<b>Long Term Assets</b>		<b>3,984,607</b>
-	Short Term Investments	<u>23</u>	-
3,374	Inventories	<u>29</u>	3,354
230,494	Short Term Debtors	<u>28</u>	225,612
68,354	Cash and Cash Equivalents	<u>30</u>	55,438
1,232	Assets held for sale		509
<b>303,454</b>	<b>Current assets</b>		<b>284,913</b>
(9,939)	Cash Overdrawn	<u>30</u>	(12,051)
(30,096)	Short Term Borrowing	<u>23</u>	(75,494)
(228,666)	Short Term Creditors	<u>31</u>	(195,777)
(12,249)	Provisions	<u>32</u>	(12,954)
(10,684)	Revenue grants received in advance	<u>16</u>	(12,316)
(71,900)	Capital grants received in advance	<u>16</u>	(80,043)
<b>(363,534)</b>	<b>Current liabilities</b>		<b>(388,635)</b>
(470,488)	Long Term Borrowing	<u>23</u>	(530,488)
(13,321)	Provisions	<u>32</u>	(13,015)
(369,207)	Other Long Term Liabilities	<u>31</u>	(240,254)
(21,774)	Capital Grants Receipts in Advance	<u>16</u>	(23,483)
<b>(874,790)</b>	<b>Long term liabilities</b>		<b>(807,240)</b>
<b>2,772,191</b>	<b>Net assets</b>		<b>3,073,644</b>
(351,415)	Usable Reserves	<u>18</u>	(295,973)
(2,420,777)	Unusable Reserves	<u>33</u>	(2,777,671)
<b>(2,772,191)</b>	<b>Total reserves</b>		<b>(3,073,644)</b>

The audited accounts were authorised for issue on 26<sup>th</sup> January 2026, and replace the unaudited accounts that were issued on 26<sup>th</sup> June 2025.

Signed: Andy Rothery, Executive Director of Resources (S151 Officer)



## Cash Flow Statement for the year ended 31 March 2025

Restated 2023/24			2024/25
<u>£'000</u>		Note	<u>£'000</u>
35,877	Net (deficit) / Surplus on the provision of services		34,313
67,896	Adjustment to net surplus on the provision of services for non-cash movements	35	93,344
(115,736)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	35	(167,331)
<u>(11,963)</u>	Net cash flows from Operating Activities		<u>(39,674)</u>
(19,266)	Investing Activities	36	(76,510)
<u>43,999</u>	Financing Activities	37	<u>101,157</u>
12,769	Net increase (decrease) in Cash and Cash Equivalents		(15,028)
45,645	Cash and Cash Equivalents at the beginning of the reporting period	30	58,415
<u><b>58,415</b></u>	<b>Cash and Cash Equivalents at the end of the reporting period</b>		<u><b>43,387</b></u>

## Notes to the Accounts

### 1 Accounting Policies

#### (i) General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (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 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a 'going concern' basis.

#### (ii) Recognition of Income and Expenditure

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

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

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

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

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

#### (iii) Cash and Cash Equivalents

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

In the cash flow statement cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management strategy.

#### **(iv) Charges to Revenue for Non-Current Assets**

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

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

#### **(v) City Region Deal**

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

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

- Income - Income receivable by the Council from the BRP is recognised as revenue in the year in which it occurs. The Council recognises revenue and a debtor balance to the extent that future EDF disbursements are to be received, have been committed to by the EDF, and sufficient uncommitted cash remains in the BRP to fund future payments.
- Expenditure – Expenditure is recognised by the Council on the earlier of payments being made by the BRP or where future EDF payments are committed to. Expenditure is recognised in proportion to the degree that the Council has contributed to the BRP through its growth figure and is capped at the limit of the Council's payment of growth to the BRP in this period, and any previous growth figures paid over which have not been previously paid or committed by the BRP.

#### **(vi) Collection Fund and Local Taxation**

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

- Council tax on behalf of the Avon and Somerset Police and Crime Commissioner, Avon Fire Authority and itself.
- Non-Domestic Rates on behalf of Avon Fire Authority, the West of England Combined Authority (WECA) and itself.

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

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

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

#### **(vii) Dedicated Schools Grant**

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

#### **(viii) Employee Benefits**

##### **Benefits Payable During Employment**

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

##### **Termination Benefits**

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

##### **Post-Employment Benefits**

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

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

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

However, the arrangements for the Teachers' scheme and NHS Scheme mean that liabilities for these benefits cannot ordinarily be identified for the Council. These schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The CIES is charged with the employer's contributions payable to Teachers pensions and NHS pensions in the year.

## **The Local Government Pension Scheme**

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

The liabilities of the Avon Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees. Liabilities are measured on an actuarial basis discounted to present value, using the projected unit method. The discount rate to be used is determined in reference to market yields at balance sheet date of high-quality corporate bonds.

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

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

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

- Current Service Cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past Service Cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net interest on the net defined benefit 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 £13.926 million (net of academy conversions). This payment was made April 2023. The up-front payment took advantage of the independent Actuary's calculation of the return these contributions could achieve once invested by the Pension Fund. The discount calculated by the Actuary for making the up-front payment (net of academy conversions) rather than the typical approach of monthly payments in arrears over the three-year period was £0.982 million, reducing total payments from £14.908 million to £13.926 million. The return was judged to be greater than could have been achieved by investing the amounts as part of the Council's Treasury Management Strategy and the approach represented good value for money for the Council.

There is a temporary imbalance between the Net Pensions Liability and the Pensions Reserve, which is due to the Council opting to pay three years past service costs upfront during 2023/24 (see above). 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 31 March 2025. This is effective from April 2026.

### **Discretionary Benefits**

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

#### **(ix) Events After The Reporting Period**

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

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

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

#### **(x) Fair Value Measurement**

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

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

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

When measuring the fair value of a non-financial asset, the Council considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

#### **(xi) Financial Instruments**

The Council adopted the IFRS 9 Financial Instruments accounting standard with effect from 1 April 2018.

#### **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

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

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

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

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

For the current year, the Council's incremental borrowing rate for each tenor consists of Public Works Loan Board (PWLB) as this is the source of borrowing previously used.

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

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

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

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

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

On 1 April 2024 the Council adopted IFRS 16 for the recognition and measurement of operating leases. The Council has assessed and measured its right-of-use assets and liabilities under this standard and has determined them to be immaterial for disclosure.

### **Peppercorn leases**

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

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

### **The Council as Lessor**

#### **Finance Leases**

To date the Council has not granted any Finance Leases.

#### **Operating Leases**

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

#### **(xix) Minimum Revenue Provision (MRP)**

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

#### **(xx) Overheads And Support Services**

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

#### **(xxi) Prior Period Adjustments**

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

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

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

## **(xxii) Service Concessions**

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

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

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

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

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

From 1 April 2024, the Council has applied IFRS 16 Leases in accordance with the CIPFA Code of Practice. This introduces remeasurement requirements for liabilities where payments are subject to indexation or other contractual changes. These adjustments are reflected in the amortisation profile of the liability.

The accounting treatment continues to align with the principles of IFRIC 12 and IPSAS 32, with additional disclosure and measurement requirements introduced by IFRS 16.

## **(xxiii) Property, Plant and Equipment**

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

### **Recognition**

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

## Measurement

Assets are initially measured at cost, comprising:

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

The Council does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

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

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

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. 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 £5 million - where the item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, identified components are depreciated separately.

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

## **Disposals and Non-current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

Amounts received for a disposal more than £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set

aside to reduce the HRA's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### **(xxiv) Infrastructure Assets**

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

##### **Recognition**

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the 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**

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

#### **(xxv) Provisions, Contingent Liabilities and Contingent Assets**

##### **Provisions**

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 2024/25 confirms that the balance of control for local authority-maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the single entity accounts of the Council (and not the Group Accounts). Therefore, schools' transactions, cash flows and

balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

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

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

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

#### **(xxix) Value Added Tax**

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

#### **(xxx) Rounding Convention**

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

#### **(xxxi) Community infrastructure levy**

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

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

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

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

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

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

### 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

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

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

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

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

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

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

The items in the Council's Balance Sheet at 31 March 2025 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 £3.295 billion	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 2025 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.	<p>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 £32.95 million change in cost value charged against the Revaluation Reserve and/or the Comprehensive Income and Expenditure Statement.</p> <p>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</p>
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.	<p>Variations in the key assumptions will have the following impact on the net pension liability of £102 million</p> <ul style="list-style-type: none"> <li>• a 0.25% increase in the assumed level of pension increases will increase the net pension liability by £28.7 million.</li> <li>• a 0.25% increase in the assumed level of pay inflation will increase the net pension liability by £31.1 million.</li> <li>• an increase of one year in longevity will increase the net pension liability by £29.4 million .</li> </ul>

Pensions Asset	Where a surplus is recognised in the actuary's report, an asset ceiling is applied to limit the future benefits that could be recognised from the pension fund, based on the assessment of economic benefits available to the Council. Initially the report showed an asset of £0.8m, and after the asset ceiling was applied, the Council reported a net liability of £62.8m.	If the pension asset ceiling were not accounted for, the balance sheet would show a pension surplus of £0.8 million.
Fair Value Estimation Carrying value £340 million	<p>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.</p> <p>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.</p>	<p>Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date.</p> <p>If investment property value were to reduce by 10%, this would lead to a £34.0 million reduction. This would impact the Council's CIES Surplus/Deficit.</p>

## 5 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Finance on 30 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 30 June 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

## 6 Expenditure and Funding Analysis for the year ended 31 March 2025

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.

2024/25

	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes EFA (Note 1)	Net change for the Pension Adjustments (Note 2)	Other Differences EFA (Note 3)	Total Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Adult & Communities	201,907	2,356	(1,520)	-	836	202,743
Children & Education Resources	56,023	(2,904)	(6,810)	-	(9,714)	146,309
Growth & Regeneration	54,353	6,184	(2,208)	-	3,976	60,646
Housing Revenue Account	25,349	74,435	(2,600)	(192)	71,643	125,996
Dedicated Schools Grant	15,424	(27,352)	(1,472)	-	(28,824)	(3,475)
Corporate Funding & Expenditure	13,968	-	(2,115)	16,211	14,096	29,520
	13,968	59	1,890	410	2,359	16,327
	<b>523,694</b>	<b>52,778</b>	<b>(14,835)</b>	<b>16,429</b>	<b>54,372</b>	<b>578,066</b>
Other income and expenditure (Notes 8,9,10)	(493,338)	(143,288)	10,210	14,037	(119,041)	(612,379)
(Surplus) Deficit on the Provision of Services	<b>30,357</b>				<b>(64,670)</b>	<b>(34,313)</b>
Opening General Fund and HRA Balance	(262,594)					
Add Surplus on General Fund and HRA Balance in Year	30,357					
Transfer to and from other reserve	(11)					
Closing General Fund and HRA Balance at 31 March 2025*	<b>(232,248)</b>					

\* 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
Adult & Communities	186,016	6,489	(991)	-	5,498	191,514
Children & Education Resources	135,548	(5,322)	(5,802)	-	(11,124)	124,425
Growth & Regeneration	52,336	7,967	(1,499)	-	6,468	58,804
Housing Revenue Account	51,942	85,570	(1,711)	-	83,859	135,801
Dedicated Schools Grant	24,417	(21,154)	(921)	-	(22,075)	2,342
Corporate Funding & Expenditure	(1,753)	-	(1,409)	-	(1,409)	(3,162)
	6,720	424	(125)	(176)	123	6,843
	<b>455,225</b>	<b>73,974</b>	<b>(12,458)</b>	<b>(176)</b>	<b>61,340</b>	<b>516,567</b>
Other income and expenditure (Notes 8,9,10)	(459,061)	(102,395)	13,859	(4,847)	(93,383)	(552,444)
(Surplus) Deficit on the Provision of Services	<b>(3,836)</b>				<b>(32,043)</b>	<b>(35,877)</b>
Opening General Fund and HRA Balance	(258,758)					
Add Surplus on General Fund and HRA Balance in Year	(3,836)					
Closing General Fund and HRA Balance at 31 March 2023*	<b>(262,595)</b>					

\* 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

	2024/25 £'000	Restated 2023/24 £'000
<b>Expenditure &amp; Income Analysed By Nature</b>		
<b>Expenditure</b>		
Employee Benefits Expense	440,576	399,190
Depreciation, Amortisation & Impairment	95,853	133,684
Other Service Expenditure	1,035,523	959,798
<b>Total Expenditure</b>	<b>1,571,953</b>	<b>1,492,672</b>
<b>Income</b>		
Fees, Charges and Other Service Income	(388,999)	(369,370)
Interest & Investment Income	(14,368)	(22,131)
Income from Council tax & Non-domestic Rates	(463,132)	(446,125)
Government Grants, Other Grants and Contributions	(715,212)	(664,489)
(Gain) / Loss on Investment Property Revaluation	(24,556)	(26,434)
<b>Total Income</b>	<b>(1,606,266)</b>	<b>(1,528,550)</b>
<b>Surplus or (deficit) on the Provision of Services</b>	<b>(34,313)</b>	<b>(35,877)</b>

Other Service Expenditure includes a wide range of services that are essential for the Council to carry out its normal operating activities. This expenditure includes (but are not limited to) payments to Bristol City Council maintained schools and children centre £320.2 million, grant payments to third parties £94.1 million, welfare benefits £64.7 million, payments to local authorities £63.6 million, residential care support £60.7 million and supported accommodation £58.4 million.

### 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.

	2024/25 £'000	2023/24 £'000
Contributions from Other Organisations	25,906	22,858
Health Authorities	41,316	40,630
Other Local Authorities	11,806	8,744
Social Care Charges	36,523	30,350
Sales of Services	8,336	7,529
Car Parking	15,500	14,864
Housing Revenue Account Income	171,105	132,668
Commercial Rents	19,442	15,333
Licencing	10,628	19,407
Clean Air Zone	22,390	38,300

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.

	2024/25 £'000	2023/24 £'000
Client Contributions	35,641	29,693
Deferred Payments	384	256
Total	<b>36,025</b>	<b>29,949</b>

## 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 2024/25, Clear Air Zone net income of £16.4 million (2023/24 £31.9m) (gross income of £22.4m and gross expenditure of £6.0m (2023/24 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

	2024/25 £'000	Restated 2023/24 £'000
Precepts and levies	13,076	10,946
Payments to the Government housing capital receipts pool	(6,642)	(1)
Losses/(gains) on the disposal of non-current assets	8,969	(1,466)
Total	<b>15,403</b>	<b>12,411</b>

## 9 Financing and Investment Income and Expenditure

	2024/25 £'000	2023/24 £'000
Interest payable and similar charges	41,137	37,982
Changes in the Fair Values of Financial Instruments	(192)	(9,456)
Pensions net interest cost	10,210	13,859
Interest receivable and similar income	(15,282)	(11,594)
Income and expenditure in relation to Investment Properties	(11,349)	(10,654)
Changes in fair value of Investment Properties	(24,556)	(26,434)
Total	<b>(32)</b>	<b>(6,297)</b>

## 10 Taxation and Non-Specific Grant Income

	2024/25 £'000	2023/24 £'000
Council tax income	(280,358)	(262,476)
Non-domestic rates	(182,773)	(183,649)
Non-service-related government grants	(61,398)	(43,198)
Capital grants and contributions	(103,221)	(69,235)
Total	<b>(627,750)</b>	<b>(558,558)</b>

## 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 £100.132 million in 2024/25 and administered by whichever body undertook the contracting arrangements.

**Fund 1** is administered by Bristol, North Somerset & South Gloucestershire Integrated Care Board and totals £24.540 million. The fund includes contributions from the ICB only, which have been paid to providers contracted to support the sub schemes Reduction in Hospitals Admissions, Frail and Complex, Falls Prevention and Reablement. The ICB controls this fund in its entirety and wholly owns any risk relating to this fund as per the Section 75 agreement.

**Fund 2** is administered by Bristol, North Somerset & South Gloucestershire Integrated Care Board and totals £1.013 million. 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 £3.849 million, 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 £53.714 million. 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 £17.016 million, 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
<b>Funding provided to the pooled budget:</b>						
BNSSG ICB	24,540	1,013	-	21,150	-	46,703
Bristol City Council	-	-	3,849	32,564	17,016	53,519
<b>Total funding into Pooled Budget</b>	<b>24,540</b>	<b>1,013</b>	<b>3,849</b>	<b>53,714</b>	<b>17,016</b>	<b>100,222</b>
Expenditure met from Pooled Budget						-
BNSSG ICB	24,540	1,013	-	21,150	-	46,703
Bristol City Council	-	-	3,849	32,564	17,016	53,519
<b>Total expenditure from Pooled Budget</b>	<b>24,540</b>	<b>1,013</b>	<b>3,849</b>	<b>53,714</b>	<b>17,016</b>	<b>100,222</b>
<b>Net surplus/(deficit) on the pooled budget during the year</b>	-	-	-	-	-	-
<b>Bristol City Council's share of the net surplus/(deficit) arising on the pooled budget</b>	-	-	-	-	-	-

## 12 Members' Allowances

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

	2024/25	2023/24
	£'000	£'000
Allowances	1,619	1,586

In addition to the above, the elected Mayor was paid an annual allowance amounting to £8,745 (2023/24: £89,793).

### 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:

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

1 Post holder left on 9th June 2024

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

3 Post holder started on 6th January 2025

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

5 Post holder started on 6th January 2025

6 Post holder left on 30th June 2024

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

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

2023/24 Restated*				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			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		2	22,921	-	4,662	27,583
Statutory Officers- Chief Financial (S151)	Apr '23 - Mar '24			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 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.

\* The 2023/24 Officers' Remuneration note has been restated to remove disclosures not required under statutory guidance. These officers are now reported in the remuneration banding note below.

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	2024/25		2023/24 restated *	
	Number of employees		Number of employees	
	Schools	Non-Schools	Schools	Non-Schools
£50,000 - £54,999	73	373	55	267
£55,000 - £59,999	27	144	24	51
£60,000 - £64,999	22	37	21	49
£65,000 - £69,999	18	53	14	34
£70,000 - £74,999	6	41	11	28
£75,000 - £79,999	14	28	13	19
£80,000 - £84,999	6	26	3	23
£85,000 - £89,999	1	5	5	4
£90,000 - £94,999	5	4	-	6
£95,000 - £99,999	1	5	-	3
£100,000 - £104,999	-	2	-	-
£105,000 - £109,999	-	2	-	1
£110,000 - £114,999	-	-	1	1
£115,000 - £119,999	1	1	-	1
£120,000 - £124,999	-	1	-	1
£125,000 - £129,999	1	1	-	-
£130,000 - £134,999	-	2	-	1
£135,000 - £139,999	-	1	-	-
<b>Totals</b>	<b>175</b>	<b>726</b>	<b>147</b>	<b>489</b>

\* The 2023/24 banding note has been restated to include employees removed from the Officers' Remuneration note.

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 2024/25, 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	
	2024/25 No.	2023/24 No.	2024/25 No.	2023/24 No.	2024/25 No.	2023/24 No.	2024/25 £'000	2023/24 £'000
£0 - £20,000	15	28	12	25	27	53	282	483
£20,001 - £40,000	11	4	5	7	16	11	451	292
£40,001 - £60,000	-	2	4	5	4	7	197	323
£60,001 - £80,000	-	-	1	1	1	1	79	69
£80,001 - £100,000	1	-	1	-	2	-	179	-
£100,001 - £120,000	-	-	-	-	-	-	-	-
£120,001 - £140,000	-	-	1	-	1	-	122	-
£140,001 - £160,000	-	-	1	-	1	-	157	-
<b>Total</b>	<b>27</b>	<b>34</b>	<b>25</b>	<b>38</b>	<b>52</b>	<b>72</b>	<b>1,468</b>	<b>1,166</b>

## 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.

	2024/25 £'000	2023/24 £'000
Fees payable to the External Auditor regarding external audit services carried out by the appointed auditor for the year	672	645
Fees payable to the External Auditor for the certification of grant claims and returns for the year	66	58
Fees payable to the External Auditor for the CFO Insights Subscription	34	37
<b>Total</b>	<b>772</b>	<b>740</b>

## 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:

2023/24				2024/25		
£'000				£'000		
Central Expenditure	ISB	Total	Notes	Central Expenditure	ISB	Total
		452,272	Final DSG before academy and high needs recoupment			494,535
		255,521	Less Academy and high needs figure recouped for year	1		276,554
		<b>196,751</b>	<b>Total DSG after academy and high needs recoupment for year</b>			<b>217,981</b>
		-	Plus: Brought forward from previous year			2,576
		-	Less: Carry forward agreed in advance			-
72,208	124,543	196,751	Agreed initial budgeted distribution in year	77,242	143,315	220,557
22,196	(750)	21,446	In year adjustments	4,610	(780)	3,830
<b>94,404</b>	<b>123,793</b>	<b>218,197</b>	<b>Final budgeted distribution for year</b>	<b>81,852</b>	<b>142,535</b>	<b>224,387</b>
93,289	-	93,289	Less: actual central expenditure	112,152	-	112,152
-	122,332	122,332	Less: actual ISB deployed to schools	-	139,307	139,307
-	-	-	Plus: LA contribution for year	10,862	-	10,862
<b>1,115</b>	<b>1,461</b>	<b>2,576</b>	<b>In Year Carry forward</b>	<b>(19,438)</b>	<b>3,227</b>	<b>(16,210)</b>
		2,576	Carried Forward			-
		(39,682)	DSG unusable reserve at the end of the previous year			(39,682)
		-	Addition to DSG unusable reserve at the end of year			(16,210)
		<b>(39,682)</b>	<b>Net DSG position at the end of the year (Note 33)</b>	4		<b>(55,892)</b>

1. 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. The academy recoupment in 2024/25 comprised 93 academies open at the start of the year plus 5 that converted in-year.
2. The in-year estimated adjustment for the final early years block funding 2023/24 £1.269 million, following the January 2025 census data up-date, due in summer 2025, £4.610 million Safety Valve funding 2024/25.
3. This is the brought forward figure from 2023/24.
4. The total carry forward deficit is £55.892 million for the year. Included in the carry forward are surpluses from de-delegated budgets of £0.321 million, £0.873 million underspend in Early Years Block, £3.011 million Schools Block underspend, High Needs Transformation Programme of £0.137 million underspend and the Safety Valve Programme funding of £26.130 million, offsetting deficits of £0.009 million in Central School Services Block, and £93.053 million in High Needs Block. The net deficit includes Bristol City Council's earmarked reserve held in line with the Safety Valve agreement of £6.699m.

## 16 Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

### Credited to Taxation and Non Specific Grant Income

	2024/25 £'000	2023/24 £'000
Capital grants and contributions (Note 10 & see below)	103,221	69,235
Non service related government grants (Note 10)	61,398	43,198
<b>Total</b>	<b>164,619</b>	<b>112,433</b>

### Capital grants and contributions

	2024/25 £'000	2023/24 £'000
<b>Government grants applied:</b>		
Adults and Communities	214	-
People	-	486
Childrens and Education	3,867	-
Growth & Regeneration	49,376	51,620
Resources	123	511
Housing Revenue Account	41,580	5,977
Developer Contributions	6,080	1,667
<b>Total Government Grants &amp; Contributions applied</b>	<b>101,240</b>	<b>60,261</b>
Capital Grants Unapplied	1,981	8,974
<b>Total grants credited to the CIES</b>	<b>103,221</b>	<b>69,235</b>

## Grants Credited to Services

	2024/25 £'000	2023/24 £'000
<b>Adults, Children &amp; Education</b>		
Better Care Fund	41,860	43,142
Education - other	8,139	5,088
Education and Skills Funding Agency Grants	16,350	14,415
Homes for Ukraine	2,330	2,459
Independent Living Fund Grant	248	1,618
Other Social Care Grants (Adults)	1,308	5,614
Other Social Care Grants (Children)	13,684	10,940
People - Other	8,673	12,404
PFI Special Grant	13,193	15,723
Public Health	36,635	35,849
Public Health - Other	3,501	2,133
Pupil Premium	7,096	7,105
REFCUS	12,472	13,218
Troubled Families	2,332	2,142
Youth Justice Board	881	936
<b>Bristol Harbour Authority</b>	20	-
<b>Dedicated Schools Grant</b>	220,038	216,988
<b>Growth &amp; Regeneration</b>		
Arts Council England	2,223	2,157
Growth & Regeneration - other	8,750	5,930
Homelessness Reduction & Support Grant	10,455	10,827
REFCUS	16,701	17,169
SWERCOTS	595	543
Travel & Transport Grants	643	498
<b>Housing Revenue Account</b>	72	-
<b>Resources</b>		
Covid 19 - Test & Trace Support Grant	-	34
Discretionary Housing Payments	741	740
Household Support Fund	8,080	8,079
Housing Benefit (rent allowances/council tax benefit) subsidy	111,372	113,685
Housing Benefit Administration Subsidy	1,796	2,424
Resources - Other	405	196
<b>Total</b>	<b>550,593</b>	<b>552,057</b>

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:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
<b>Capital Grants and Contributions Received in Advance</b>		
Government grants	72,216	64,642
Section 106 contributions	31,311	29,032
<b>Total</b>	<b>103,527</b>	<b>93,674</b>
Due < 1 year	80,043	71,900
Due > 1 year	23,483	21,774
<b>Total</b>	<b>103,527</b>	<b>93,674</b>
<b>Revenue grants Received in Advance</b>		
People	11,934	8,966
Growth & Regeneration	217	568
Taxation and non-specific grant income	-	902
Resources	165	248
<b>Total</b>	<b>12,316</b>	<b>10,684</b>

## 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.

2024/25	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grant Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustment involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and impairment of non-current assets	(58,607)	(38,708)				(97,315)
Movement in the market value of Investment Properties	25,636	(1,080)				24,556
Amortisation of Intangible Assets	(3,477)	(546)				(4,023)
Capital grants and distributions	90,814	41,580				132,394
Revenue and expenditure funded from capital under statute	(49,710)	-	-			(49,710)
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(31,336)	(5,402)				(36,738)
Changes in Fair Value of Financial Instruments (MiRs)	192	-				192
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	29,258	-				29,258
Capital expenditure charged against the General Fund and HRA balances	800	20,846				21,646
<b>Adjustments involving the Capital Receipts Reserve:</b>						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12,919	10,008	(22,926)			-
Deferred Capital Receipts Reserve credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5,125	-	(573)			4,552
Administrative costs of non-current asset disposals	(283)	-	283			-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	56,037			56,037
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	-	6,642	(6,642)			-
<b>Adjustment Involving the Major Repairs Reserve (MRR):</b>						
Excess depreciation transferred to the MRR	-	-				-
HRA depreciation credited to MRR	-	36,028		(36,028)		-
Use of the MRR to finance new capital expenditure	-	-		36,377		36,377
<b>Adjustments involving the Capital Grants Unapplied Account:</b>						
Application of grants to capital financing transferred to the Unapplied Capital Grants	-	-			(1,981)	(1,981)
Application of grants and contributions to capital financing	-	-			538	538
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>						
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
<b>Adjustments involving the Pensions Reserve:</b>						
	-	-				-

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(47,036)	(6,115)				(53,151)
Employer's pensions contributions and direct payments to pensioners payable in the year	51,421	6,355				57,776
<b>Adjustments involving the Collection Fund Adjustment Account:</b>	-	-				-
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(14,210)	-				(14,210)
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>	-	-				-
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(410)	-				(411)
<b>Other Reserve Movements</b>	(16,211)	-				(16,211)
<b>Total Adjustment</b>	<b>(4,937)</b>	<b>69,607</b>	<b>26,178</b>	<b>349</b>	<b>(1,443)</b>	<b>89,754</b>

2023/24 Restated	General fund balance	Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grant Unapplied	Total Movement Usable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustment involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and impairment of non-current assets	(96,811)	(32,629)				(129,440)
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 distributions	93,644	5,977				99,622
Revenue and 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	(8,468)	(7,578)				(16,046)
Changes in Fair Value of Financial Instruments (MiRs)	9,456	-				9,456
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
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
<b>Adjustments involving the Capital Receipts Reserve:</b>						
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	-	-	-			-
<b>Adjustment Involving the Major Repairs Reserve (MRR):</b>						
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
<b>Adjustments involving the Capital Grants Unapplied Account:</b>						
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
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>						
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

<b>Adjustments involving the Pensions Reserve:</b>	-	-	-	-	-
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
<b>Adjustments involving the Collection Fund Adjustment Account:</b>	-	-	-	-	-
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
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>	-	-	-	-	-
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
<b>Other Reserve Movements</b>	-	-	-	-	-
Total Adjustment	<b>2,624</b>	<b>29,419</b>	<b>41,066</b>	<b>(348)</b>	<b>(7,440)</b>
					<b>65,318</b>

## 18 Usable Reserves restated

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 2024/25, they include:

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

Details of specific earmarked reserves are as follows:

RESERVE	PURPOSE
Capital Investment Reserve	The capital reserve is maintained to provide funding for the Council's capital investments and growth in Enterprise areas.
Business Transformation Reserves	Invest to save funds. The reserve will be used to fund one-off costs attributed to delivery of savings in the currently agreed programme.
Risk Reserves	Risk Reserves Funds set aside to mitigate known risks not otherwise provided for including, volatility in Housing Benefit Subsidy and uninsured risks.
Statutory/Ring-fenced reserves	Amounts required by statute or accounting code of practice to be set aside and ring-fenced for specific purposes, for example Public Health Reserve and City Deal Business Rate Pooling.
Technical/Financing Reserve	Technical Financial Reserves - Includes PFI sinking fund, grant income carried forward in accordance with accounting regulations and resources set aside to match known contract liabilities.
Service specific reserves	Amounts set aside to finance specific projects or to meet known expenditure plans, including: <ul style="list-style-type: none"> <li>- High Needs for high needs deficit included in the Safety Valve agreement with Department of Education</li> <li>- Digital Transformation to deliver transformation activity</li> <li>- City Leap for set up costs of City Leap partnership</li> <li>- Youth Hostel Association (YHA) to cover dilapidations for buildings used during COVID pandemic</li> </ul>

	01 April 2023	Transfers out	Transfers in	31 March 2024	01 April 2024	Transfers out	Transfers in	31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total General Fund Strategic Reserve</b>	(29,527)	10,706	(5,750)	(24,571)	(24,571)	-	(13,230)	(37,800)
<b>General Fund Earmarked Reserves</b>								
Capital Investment Reserve	(40,067)	2,653	(1,194)	(38,608)	(38,608)	10,862	(1,444)	(29,190)
Business Transformation Reserve	(6,012)	4,339	(7,882)	(9,555)	(9,555)	9,670	(14,770)	(14,655)
Risk Management Reserve	(15,462)	29,645	(55,321)	(41,138)	(41,138)	39,156	(38,092)	(40,072)
Statutory/Ring-fenced Reserve	(63,232)	26,488	(42,562)	(79,306)	(79,306)	36,383	(23,191)	(66,113)
Financing Reserve	(2,156)	1,889	(82)	(349)	(349)	349	-	-
Service Specific Reserves	(3,612)	7,130	(2,988)	530	530	13,442	(17,988)	(4,016)
<b>Total</b>	<b>(130,541)</b>	<b>72,145</b>	<b>(110,028)</b>	<b>(168,424)</b>	<b>(168,424)</b>	<b>109,863</b>	<b>(95,484)</b>	<b>(154,046)</b>
<b>School Reserves</b>								
Schools - Balances	1,247	1,659	-	2,906	2,906	2,130	-	5,036
Schools - Other	(488)	172	(61)	(377)	(377)	-	(60)	(437)
<b>Total Schools</b>	<b>759</b>	<b>1,831</b>	<b>(61)</b>	<b>2,529</b>	<b>2,529</b>	<b>2,130</b>	<b>(60)</b>	<b>4,599</b>
<b>HRA</b>								
HRA General Reserve	(98,795)	27,497	-	(71,298)	(71,298)	27,487	(453)	(44,264)
Major Repairs Reserve	(10,001)	32,894	(33,242)	(10,349)	(10,349)	36,393	(36,044)	(10,000)
HRA Earmarked Reserves	(655)	-	(176)	(831)	(831)	20,775	(20,678)	(734)
<b>Total HRA Reserves</b>	<b>(109,451)</b>	<b>60,391</b>	<b>(33,418)</b>	<b>(82,478)</b>	<b>(82,478)</b>	<b>84,655</b>	<b>(57,175)</b>	<b>(54,998)</b>
<b>Capital Reserves</b>								
Capital Grants Unapplied*	(7,131)	6,663	(14,103)	(14,572)	(14,571)	14,400	(15,842)	(16,014)
Capital Receipts*	(104,967)	57,420	(16,354)	(63,900)	(63,901)	61,084	(34,897)	(37,713)
<b>Total Usable Capital Reserves</b>	<b>(112,098)</b>	<b>64,083</b>	<b>(30,457)</b>	<b>(78,472)</b>	<b>(78,472)</b>	<b>75,484</b>	<b>(50,739)</b>	<b>(53,727)</b>
<b>TOTAL USABLE RESERVES</b>	<b>(380,855)</b>	<b>209,156</b>	<b>(179,715)</b>	<b>(351,414)</b>	<b>(351,414)</b>	<b>272,131</b>	<b>(216,689)</b>	<b>(295,973)</b>

\*In prior years, the headings for Capital Receipts Reserve and Capital Grants Unapplied Reserve were incorrectly labelled in the note. This was a presentation error only and did not affect the figures or totals. The 2024/25 Statement of Accounts reflects the correct classification.

## 19 Property, Plant and Equipment Movements in 2024/25

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	Right of Use Assets	Vehicles, Plant, Furniture & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total PPE Excluding Infrastructure	Infrastructure Assets	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost or Valuation</b>											
<b>At 1 April 2024</b>	1,915,857	673,697	-	114,822	8,901	63,967	27,604	2,804,848	-	2,804,848	28,069
Adjustment for right of use assets	-	(28,794)	43,218	-	-	-	-	14,424	-	14,424	-
<b>Revised balance At 1 April 2024</b>	1,915,857	644,903	43,218	114,822	8,901	63,967	27,604	2,819,272	-	2,819,272	28,069
Additions	97,321	40,656	8,033	5,803	927	33,589	-	186,329	52,009	238,338	-
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	(33,708)	(19,757)	(641)	-	-	-	(110)	(54,216)	-	(54,216)	(721)
Revaluation Increases / (decreases) recognised in the Revaluation Reserve	59,676	64,376	(4,413)	-	5	(725)	2,667	121,586	-	121,586	14,135
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(15,050)	5	-	-	-	145	(14,900)	-	(14,900)	-
Derecognition - Disposals	(5,449)	(19,671)	-	-	-	-	(7,467)	(32,587)	-	(32,587)	-
Assets reclassified to / from Held for Sale	-	-	-	-	-	-	723	723	-	723	-
Assets reclassified to / from Investment Property	-	-	-	-	-	843	(5)	838	-	838	-
Other Movements in Cost or Valuation	29,594	(3,287)	-	-	3	(15,839)	(10,434)	37	-	37	-
<b>At 31 March 2025</b>	2,063,291	692,170	46,202	120,625	9,836	81,835	13,123	3,027,082	-	3,027,082	41,483
<b>Accumulated Depreciation and Impairment</b>											
<b>At 1 April 2023</b>	(16,173)	(14,665)	-	(63,226)	(711)	-	(99)	(94,874)	-	(94,874)	(357)
Adjustment for right of use assets	-	749	(749)	-	-	-	-	-	-	-	-
<b>Revised balance At 1 April 2023</b>	(16,173)	(13,916)	(749)	(63,226)	(711)	-	(99)	(94,874)	-	(94,874)	(357)
Depreciation Charge	(35,156)	(19,585)	(2,976)	(7,755)	-	-	(111)	(65,583)	(13,684)	(79,267)	(909)
Accumulated Depreciation written out to Gross Carrying Amount after Revaluation	33,708	19,757	641	-	-	-	110	54,216	-	54,216	721
Derecognition - Disposals	-	-	-	-	-	-	-	-	-	-	-
Other movements in depreciation and Impairment	47	628	-	-	-	-	-	702	-	702	-
<b>At 31 March 2025</b>	(17,577)	(13,116)	(3,084)	(70,916)	(776)	(10)	(59)	(105,539)	-	(105,539)	(545)
<b>Balance Sheet at 31 March 2025</b>	2,045,714	679,054	43,118	49,709	9,060	81,825	13,064	2,921,543	386,332	3,307,876	40,938
<b>Balance Sheet at 1 April 2024</b>	1,899,683	659,032	-	51,596	8,190	63,967	27,505	2,709,973	348,007	3,057,981	27,712

## Property, Plant and Equipment Comparative movements in 2023/24 restated

	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
<b>Cost or Valuation</b>										
<b>At 1 April 2023</b>	<b>1,949,186</b>	<b>691,562</b>	<b>105,066</b>	<b>8,513</b>	<b>41,924</b>	<b>26,024</b>	<b>2,822,275</b>	<b>-</b>	<b>2,822,275</b>	<b>29,320</b>
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)	-
Revaluation Increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(54,966)	-	-	2	(60)	(55,024)	-	(55,024)	(732)
Derecognition - Disposals	(6,161)	(8,405)	-	-	-	(118)	(14,684)	-	(14,684)	(519)
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	-	-	-	-	-	-	-	-	-	-
Assets reclassified to / from Inventory	6,162	26,887	-	(3)	(36,888)	1,541	(2,301)	-	(2,301)	-
<b>At 31 March 2024</b>	<b>1,915,857</b>	<b>673,697</b>	<b>114,822</b>	<b>8,901</b>	<b>63,967</b>	<b>27,604</b>	<b>2,804,848</b>	<b>-</b>	<b>2,804,848</b>	<b>28,069</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>At 1 April 2023</b>	<b>(14,852)</b>	<b>(14,399)</b>	<b>(55,305)</b>	<b>(638)</b>	<b>(31)</b>	<b>(125)</b>	<b>(85,350)</b>	<b>-</b>	<b>(85,350)</b>	<b>(363)</b>
Depreciation Charge	(32,348)	(21,070)	(7,992)	-	(1)	(340)	(61,751)	(12,242)	(73,993)	(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	264	-	-	-	-	313	-	313	-
Other movements in depreciation and Impairment	1	149	71	(73)	23	(171)	-	(1)	-	-
							-			
<b>At 31 March 2024</b>	<b>(16,173)</b>	<b>(14,665)</b>	<b>(63,226)</b>	<b>(711)</b>	<b>-</b>	<b>(99)</b>	<b>(94,875)</b>	<b>-</b>	<b>(94,875)</b>	<b>(357)</b>
<b>Balance Sheet at 31 March 2024</b>	<b>1,899,684</b>	<b>659,032</b>	<b>51,596</b>	<b>8,190</b>	<b>63,967</b>	<b>27,505</b>	<b>2,709,973</b>	<b>348,007</b>	<b>3,057,981</b>	<b>27,712</b>
<b>Balance Sheet at 1 April 2023</b>	<b>1,934,333</b>	<b>677,163</b>	<b>49,761</b>	<b>7,875</b>	<b>41,893</b>	<b>25,899</b>	<b>2,736,924</b>	<b>327,917</b>	<b>3,064,842</b>	<b>28,957</b>

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).

### **Prior period adjustment – Derecognition of Academy Schools**

Academy schools which had transferred out of local authority control in prior years continued to be included within the Council’s asset register. In accordance with the requirements of the Code of Practice on Local Authority Accounting, these assets should have been derecognised when control transferred. A prior period adjustment has therefore been made to remove the gross carrying amounts and associated accumulated depreciation and impairment relating to these schools from the Council’s opening balances and 2023/24 comparative figures. An academy school was identified which was disposed in 2024/25 which should have been disposed of in 2023/24.

The adjustment reduces the opening gross carrying amount of Other Land and Buildings at 1 April 2023 by £23.172 million, with a corresponding reduction in the net book value. The carrying amount of these transferred academy schools is therefore nil at 1 April 2023 and no longer included in the comparative balances presented in this note. To correct the disposal error, Other Land and Buildings at 31 March 2024 was reduced by £7.177m and loss on disposal recorded in the comprehensive income and expenditure statement.

### **Impact on the financial statements**

The prior period adjustment affects the following areas of the financial statements:

- **Balance Sheet (31 March 2024)** – overall a reduction to Other Land and Buildings of £22.8 million.
- **Note 19 – Property, Plant and Equipment:** Comparative figures for Other Land and Buildings have been restated to remove the gross carrying amount and associated accumulated depreciation and impairment for the academy schools.
- **Movement in Reserves Statement:** Comparative balances have been restated to reflect the derecognition through the Capital Adjustment Account and Revaluation Reserve.
- **Note 33 – Unusable Reserves:** Comparative balances for the Capital Adjustment Account and the Revaluation Reserve have been restated to reflect the elimination of historic balances relating to these assets.
- **Other notes:** Consequential restatements have been made to notes (note 6, note 7, note 8, note 17) that reconcile to the carrying amount of Property, Plant and Equipment or to movements through the Capital Adjustment Account and Revaluation Reserve.

## Capital Commitments

On 31 March 2025 the Council had entered several contracts for the construction or enhancement of Property, Plant and Equipment with outstanding contract commitments of £206.7 million (£98m in 2023/24).

Significant contractual commitments outstanding at 31 March 2025 were as follows:

		£m
Council Housing - Refurbishment of 3 high rise blocks (Francombe, Waring & Underdown)	Rateavon Ltd	21.3
New Housing Provision - Romney House	One Lockleaze LLP	18.1
New Housing Provision: Leinster Avenue (Prev. Florence Brown)	Hill Partnerships Ltd	17.9
Council Housing - Refurbishment of 5 high rise blocks (St Judes)	Synergize Ltd	16.5
Council Housing - Refurbishment of 3 high rise blocks (Barton Hill)	SERS Energy Solutions Ltd	16.3
New Housing Provision - Branwhite	Stepnell Ltd	14.2
New Housing Provision - Cameron	Stepnell Ltd	10.9
New Housing Provision - Accelerated Housing Development Programme (AHDP)	Edaroth Ltd	9.5
New Housing Provision - Filwood	Stepnell Ltd	9.2
Transport Projects for ETM Contractors Limited	ETM Contractors Ltd	7.8
New Housing Provision - Greville	Stepnell Ltd	7.1
New Housing Provision: Brunel Ford	Vistry Homes Ltd t/a Vistry Partnerships West Ltd	7.0
New Housing Provision - Hengrove Apartments	Goram Homes Ltd	6.6
Bristol Beacon Phase 4 - Construction	Willmott Dixon Construction Ltd	5.1
New Housing Provision - Airport Rd (Developer Led)	Boklok Housing Limited	4.9
Council Housing - Refurbishment of 1 high rise block (Beaufort House)	Synergize Ltd	4.5
Council Housing - Refurbishment of 1 mid rise block (Ropewalk House)	Synergize Ltd	4.5
Sports Contract Investment	Sport and Leisure Management (SLM)	4.5
New Housing Delivery - 190-196 Romney Avenue	Stepnell Ltd	3.2
Council Housing - Social Housing Decarbonisation Fund (SHDF) - Energy efficiencies (Ledbury Rd)	Ameresco Ltd	3.1
New Housing Provision - Accelerated Acquisitions Programme	Constellia Public Ltd	2.3
Highways road surface dressing and micro asphalts	Road Maintenance Services Ltd	2.1
Council Housing - Social Housing Decarbonisation Fund (SHDF) - Energy efficiencies (Littlecross House)	Ameresco Ltd	1.9
Council Housing - Fire Safety sprinklers installation	Triangle Fire Systems Ltd	1.5
Council Housing - Social Housing Decarbonisation Fund (SHDF) - Energy efficiencies (Stockwood & Brislington)	Ameresco Ltd	1.4
Portway Park and Ride Bus Access Improvements	South West Highways Ltd t/a Taylor Woodrow infrastructure Ltd	1.4
Council Housing - Bathroom replacements	Jeff Way Construction Ltd	1.1
	<b>Total</b>	<b>203.9</b>

## 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 depreciated historic cost, which is considered to be a suitable proxy for current value.

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

	Council Dwellings	Other Land and Buildings	Right of Use Assets	Vehicles, Plant, etc	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Carried at depreciated historical cost</b>	-	45,102	-	120,625	81,835	-	247,562
01 October 2023	2,063,291	584,382	42,202	-	-	13,123	2,702,998
01 October 2022	-	11,199	-	-	-	-	11,199
01 October 2021	-	16,290	-	-	-	-	16,290
01 October 2020	-	26,379	-	-	-	-	26,379
01 October 2019	-	8,818	-	-	-	-	8,818
<b>Total cost valuation</b>	<b>2,063,291</b>	<b>692,170</b>	<b>42,202</b>	<b>120,625</b>	<b>81,835</b>	<b>13,123</b>	<b>3,013,246</b>

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

## 20 Heritage Assets

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

	Art Collection	Ethnography & Foreign Archaeology	Antiquarian books	Other	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
01 April 2024	133,971	42,344	7,675	32,266	216,256
Additions	-	-	-	-	-
Revaluations	1,850	-	900	250	3,000
<b>31 March 2025</b>	<b>135,821</b>	<b>42,344</b>	<b>8,575</b>	<b>32,516</b>	<b>219,256</b>
<b>Cost or valuation</b>					
01 April 2023	133,153	42,344	7,675	32,084	215,256
Additions	-	-	-	-	-
Revaluations	818	-	-	182	1,000
<b>31 March 2024</b>	<b>133,971</b>	<b>42,344</b>	<b>7,675</b>	<b>32,266</b>	<b>216,256</b>

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 (£16.8m), 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:

	2024/25 £'000	2023/24 £'000
Rental income from Investment Property	(16,571)	(12,558)
Direct operating expenses arising from Investment Property	5,222	1,904
Net gain	<b>(11,349)</b>	<b>(10,654)</b>

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:

	2024/25 £'000	2023/24 £'000
Balance at start of the year	315,591	282,169
Additions – purchases	949	-
Disposals	(656)	(195)
Net gain from current value adjustments	24,556	26,434
Transfers (to)/from Property, Plant and Equipment	(838)	7,183
Balance at end of the year	<b>339,602</b>	<b>315,591</b>

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:

	<b>Other significant observable inputs (Level 2)</b>	
	2024/25 £'000	2023/24 £'000
Retail	71,429	74,882
Industrial	209,922	184,169
Office	58,251	56,540
Balance at end of the year	<b>339,602</b>	<b>315,591</b>

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

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

## 22 Intangible Assets

The Council accounts for its Information Technology (IT) system software as Intangible Assets which includes purchased licenses covering a period of more than a year. All software is amortised over five years (this is based on assessments of the period that the software is expected to be of use to the Council). All software is carried at cost (used as a proxy for fair value) given the short life of the asset.

The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £4.023 million charged to revenue in 2024/25 was charged to the central ICT cost centre and the Housing Revenue Account (HRA). The charge to central ICT was absorbed as an overhead across all the service headings in the Net Cost of Service. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

As part of a review in 2024/25, historic acquisitions that are no longer utilised have been derecognised. These are fully depreciated and have a nil impact on the net book value.

The purchases relate to the Housing Management System, part of the Housing Transformation Programme within the HRA.

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

	2024/25 £'000	2023/24 £'000
<b>Balance at start of the year</b>		
Gross carrying amounts	46,288	44,288
Accumulated amortisation	(36,081)	(31,415)
Accumulated impairment	(2,014)	(2,014)
<b>Net carrying amount at start of year</b>	<b>8,193</b>	<b>10,859</b>
Purchases	1,891	2,000
Derecognition (gross carrying amount)	(22,870)	-
<b>Amortisation for the period</b>	<b>(4,023)</b>	<b>(4,666)</b>
Derecognition (accumulated depreciation/impairment)	22,870	-
<b>Net carrying amount at the end of year</b>	<b>6,061</b>	<b>8,192</b>
<b>Comprising:</b>		
Gross carrying amounts	25,309	46,288
Accumulated amortisation	(19,248)	(36,082)
Accumulated impairment	-	(2,014)
<b>Balance at end of the year</b>	<b>6,061</b>	<b>8,192</b>

## 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 2025	31-Mar 2024	31-Mar 2025	31-Mar 2024
	£'000	£'000	£'000	£'000
<b>Financial Liabilities at Amortised cost</b>				
Borrowing	(530,488)	(470,488)	(75,494)	(30,096)
Service Concessions	(98,163)	(99,567)	(9,584)	(9,745)
Creditors	(5,855)	(98)	(143,700)	(176,035)
Cash & Cash Equivalents			(12,051)	(9,939)
<b>Total Financial Liabilities</b>	<b>(634,506)</b>	<b>(570,153)</b>	<b>(240,829)</b>	<b>(225,815)</b>
<b>Financial Assets at amortised cost</b>				
Investments	-	-	219	258
Debtors*	25,644	21,398	139,525	143,877
<b>Financial Assets at Fair Value through Other Comprehensive Income</b>				
Investment	350	350	-	-
<b>Financial Assets at Fair Value through profit and loss</b>				
Investments & Cash and Cash Equivalents	53,710	53,781	55,219	68,096
<b>Total Financial Assets</b>	<b>79,704</b>	<b>75,529</b>	<b>194,963</b>	<b>212,231</b>

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

### Movements

The increase in financial liabilities, circa £69 million relates to (£105m) a net increase of Loans to support funding of the capital programme and changes in working capital and (£2m) in our overdraft on our main suite of bank accounts, offset by a decrease in the value of general creditors (£26m) and the repayment of PFI Liabilities (£2m).

The financial assets decreased by circa £13m primarily through a combination of decreases in working capital by the use of cash to support the payment of creditors and utilisation of reserves resulting in a reduction of resources to invest.

## Borrowing

	31 March 2025 £'000	31 March 2024 £'000
Current borrowing		
Deposit loans (repayable at notice - up to 7 days)	18	98
Cash & Cash Equivalents -Bank Overdraft	12,051	9,939
- Public Works Loan Board	74,288	28,568
- Banks and other monetary sector	909	1,151
- Energy improvement Loans	259	259
- Local bonds and Stocks	21	21
<b>Total</b>	<b>87,546</b>	<b>40,035</b>

	31 March 2025 £'000	31 March 2024 £'000
Non-current borrowing		
Public Works Loan Board	445,439	350,439
Lender Option Borrower Option (Lobo)	35,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
<b>Total</b>	<b>530,488</b>	<b>470,488</b>

## 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 2024/25

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

### Financial Instruments Gains and Losses 2023/24

	Financial Liabilities		Financial Assets		Total
	Measured at	Amortised	Fair Value	Fair Value	
	amortised cost	Cost	through the Other CI	through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(39,586)	-	-	-	(39,586)
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>(39,586)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,586)</b>
Interest Income	-	6,375	-	3,970	10,345
Fair Value Movement	-	-	-	9,456	9,456
Dividend Income	-	-	-	2,853	2,853
<b>Total income in Surplus or Surplus / Deficit on the Provision of Services</b>	<b>(39,586)</b>	<b>6,375</b>	<b>-</b>	<b>16,279</b>	<b>(16,932)</b>
Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
<b>Net gain/(loss) for the year</b>	<b>(39,586)</b>	<b>6,375</b>	<b>-</b>	<b>16,279</b>	<b>(16,932)</b>

## 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 2025 using:			Fair value measurements at 31 March 2024 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
<b>Recurring fair value measurements</b>						
<b>Fair Value through Profit and Loss</b>						
Money Market Funds	55,219	-	-	68,096	-	-
Bristol Port Company (Non-traded Unquoted Equity Investment)	-	-	34,000	-	-	35,000
Bristol Holdings (unquoted equity investment)	-	-	6,250	-	-	5,941
Other unquoted private companies	-	-	-	-	-	90
Pooled property fund	-	-	13,460	-	-	12,750
<b>Fair Value through Other Comprehensive Income</b>						
Other unquoted private companies	-	-	350	-	-	350
Resonance Temporary Accommodation Property Fund	-	-	-	-	-	-
Resonance Property Fund	-	-	-	-	-	-
Pooled property fund	-	-	-	-	-	-
<b>Total Non-traded securities:</b>	<b>55,219</b>	<b>-</b>	<b>54,060</b>	<b>68,096</b>	<b>-</b>	<b>54,131</b>
<b>Investment properties</b>	<b>-</b>	<b>339,602</b>	<b>-</b>	<b>-</b>	<b>315,591</b>	<b>-</b>
<b>Surplus properties</b>	<b>-</b>	<b>13,067</b>	<b>-</b>	<b>-</b>	<b>27,507</b>	<b>-</b>
<b>Total recurring fair value measurements</b>	<b>55,219</b>	<b>352,669</b>	<b>54,060</b>	<b>68,096</b>	<b>343,098</b>	<b>54,131</b>
<b>Non-recurring fair value measurements</b>						
Assets held for sale	-	509	-	-	1,232	-
<b>Total non-recurring fair value measurements</b>	<b>-</b>	<b>509</b>	<b>-</b>	<b>-</b>	<b>1,232</b>	<b>-</b>

<b>Valuation techniques and Inputs</b>				
<b>Description of asset</b>	<b>Valuation hierarchy</b>	<b>Basis of Valuation</b>	<b>Observable and Unobservable inputs</b>	<b>Key sensitivities affecting the valuations provided</b>
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, 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 on 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 2025.	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 (£350k) 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 £118k higher or lower respectively.

### Transfers between levels of the fair value hierarchy

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

### Changes in valuation technique

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

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

Description	31 March 2025	31 March 2024
	Non-traded securities	Non-traded securities
	£'000	£'000
Opening balance	54,131	45,065
Total gains/(losses) for the period: included in the Financing and investment income and expenditure	192	9,456
Total gains/(losses) for the period: included in the Cost of services	(90)	(90)
<b>Total gains/(losses) for the period:</b>		<b>9,366</b>
Disposals	(319)	(300)
Additions	145	-
<b>Closing balance</b>	<b>54,060</b>	<b>54,131</b>

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 (+£1m), Resonance Property Fund (-£744k), Bristol Energy A & Tech Services(+£309k) and Resonance Temporary Accommodation Property Fund (-£139k).

### 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 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Cash & Cash Equivalents	12,051	12,051	9,939	9,939
Public Works Loan Board (PWLB)	519,727	466,500	379,007	351,300
Lender Option Borrower Option	35,439	27,000	70,678	58,700
Market Debt	50,470	38,200	50,474	42,500
Service Concessions	107,747	125,141	109,310	131,813
Other	6,202	6,202	524	524
<b>Total Liabilities</b>	<b>731,636</b>	<b>675,094</b>	<b>619,932</b>	<b>594,777</b>

The Authority has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £894 million an increase of £39 million which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

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

The fair value of the liabilities is less than the carrying amount because of service concessions; others are lower because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

**Financial Assets**

	31 March 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Current investments	-	-	-	-
Cash and Cash Equivalents	219	219	258	258
Non-current investments	-	-	-	-
Non-current debtors	25,644	25,644	21,398	21,398
<b>Total Financial Assets</b>	<b>25,863</b>	<b>25,863</b>	<b>21,656</b>	<b>21,656</b>

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 2025 using:			Fair value measurements at 31 March 2024 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
<b>Recurring fair value measurements using:</b>						
<b>Financial Liabilities held at Amortised Cost</b>						
Cash & Cash Equivalent	-	12,051	-	-	9,939	-
Public Works Loan Board (PWLB)	-	519,727	-	-	379,007	-
Lender Option Borrower Options	-	35,439	-	-	70,678	-
Market debt	-	50,470	-	-	50,474	-
Service Concessions	-	107,747	-	-	109,310	-
Other	-	6,202	-	-	524	-
<b>Total</b>	-	<b>731,636</b>	-	-	<b>619,932</b>	-
<b>Financial Assets held at amortised cost</b>						
Current Investments	-	-	-	-	-	-
Cash and Cash Equivalents	-	219	-	-	258	-
Non-current Investments	-	-	-	-	-	-
Non-current Debtors	-	25,644	-	-	21,398	-
<b>Total</b>	-	<b>25,863</b>	-	-	<b>21,656</b>	-

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 20 February 2024 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 2025 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)	
	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-24
<b>Non-Current Investments:</b>					
Non-traded securities	-	0.00%	0.00%	-	-
Sub-total	-			-	-
<b>Current Investments:</b>					
Local Authorities	117	0.00%	0.00%	-	-
AA rated counterparties	84	0.02%	0.02%	-	-
A rated counterparties	18	0.05%	0.05%	-	-
Sub-total	<b>219</b>			-	-
<b>Trade debtors</b>	<b>139,525</b>			-	-
<b>Non-current debtors</b>	<b>25,644</b>			-	-
<b>Total Financial assets</b>	<b>165,388</b>			-	-

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31 March 25.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Council does not generally allow credit for its trade debtors, including amounts due from government departments and other Local Authorities.

The risk of loss for trade receivables is minimised by a combination of the following:

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

The write off of a debt is always the last option available and is only taken when all other appropriate measures have been taken to recover payment, and in cases of bankruptcy.

The bad debt provision is calculated based on future expectation of debt collection, in line with IFRS 9 and by reference to the Council's historic experience with the provision being applied to debts over 60 days old and the value increasing according to the age of the debt.

Debtor analysis	Gross debtor at	Allowance for credit losses at	Net debtor at	Net debtor at
	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-24
	£'000	£'000	£'000	£'000
Local taxpayers	56,691	(35,725)	20,966	20,724
Housing rents	16,687	(12,186)	4,501	4,115
Other - sundry debtors	212,237	(39,995)	172,242	179,337
<b>Total Other Entities and Individuals</b>	<b>285,615</b>	<b>(87,906)</b>	<b>197,709</b>	<b>204,176</b>
Central Government bodies	26,339	-	26,339	23,334
Other local authorities	1,336	-	1,336	1,391
NHS bodies	228	-	228	1,592
<b>Total debtors</b>	<b>313,518</b>	<b>(87,906)</b>	<b>225,612</b>	<b>230,493</b>
<b>Balance sheet debtors</b>	<b>313,518</b>	<b>(87,906)</b>	<b>225,612</b>	<b>230,493</b>
Current debtors not qualifying as a financial instrument under IFRS	(121,812)	35,725	(86,087)	(86,618)
<b>Current debtors qualifying as a financial instrument under IFRS</b>	<b>191,706</b>	<b>(52,181)</b>	<b>139,525</b>	<b>143,875</b>

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	31 March
	2025	2024
	£'000	£'000
Less than three months	33,311	38,246
Three to four months	1,273	3,613
Four months to one year	16,555	18,302
More than one year	54,703	53,483
<b>Total</b>	<b>105,842</b>	<b>113,644</b>

### Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets 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 2025 £'000	31 March 2024 £'000
Less than 1 year	194,963	212,231
Between 1 and 2 years	2,015	1,712
Between 2 and 3 years	1,631	1,738
More than 3 years	76,058	72,079
<b>Total</b>	<b>274,667</b>	<b>287,760</b>

The maturity analysis of financial liabilities is as follows:

	31 March 2025 £'000	31 March 2024 £'000
Less than 1 year	241,237	251,803
1 - 2 Years	174,148	69,093
2 - 5 Years	69,095	66,631
5 - 10 Years	44,367	42,941
10+ Years	346,488	391,488
<b>Total</b>	<b>875,336</b>	<b>821,956</b>

### 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 2025 £'000	%	Actual 31 March 2024 £'000	%
Less than 1 year	-	40	75,494	12%	30,096	6%
Between 1 and 2 years	-	40	152,000	25%	45,000	9%
Between 2 and 5 years	-	40	22,000	4%	34,000	7%
Between 5 and 10 years	-	50	10,000	2%	-	-
More Than 10 Years	25	100	346,488	57%	391,488	78%
<b>Total</b>			<b>605,983</b>	<b>100%</b>	<b>500,584</b>	<b>100%</b>

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

### Market risk

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

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

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

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

At 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	<b>31-Mar 2025 £'000</b>
Increase in interest receivable on variable rate investments	989
Impact on Surplus or Deficit on the Provision of Services	989
Share of overall impact debited to the HRA	573
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)	96,300

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 2024/25 the Council received monies denominated in Euros relating to the receipt of European grant. The authority also made payments in a variety of currencies for the supply of goods and services. Payments and receipts are converted to Sterling at the earliest opportunity.

## 25 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. Movements on the CFR are also analysed below.

	2024/25	2023/24
	£'000	£'000
Opening Capital Financing Requirement	958,391	939,876
IFRS 16 transition adjustment related to PFI	4,198	-
Adjustment for Right of Use assets as a result of new accounting standard	6,930	-
<b>Capital investment</b>		
Property, Plant and Equipment	238,338	193,016
Investment Properties	949	-
Heritage Assets	-	-
Intangible Assets	1,892	2,000
Long Term Investments / Debtors	1,145	1,000
Revenue Expenditure Funded from Capital under Statute	49,709	48,859
<b>Sources of finance</b>		
Capital Receipts set aside for repayment of debt	(1,940)	(1,716)
Capital receipts	(56,037)	(55,646)
Government grants and other contributions	(130,413)	(90,648)
Capital Grants Unapplied	(538)	(1,534)
Sums set aside from revenue:		
· Direct revenue contributions	(21,630)	(21,785)
· Use of Major Repairs Reserve	(36,393)	(32,894)
· MRP – City Council Debt	(27,197)	(22,137)
· MRP – IFRS 16	(2,061)	-
<b>Closing Capital Financing Requirement</b>	<b>985,344</b>	<b>958,391</b>
Explanation of movements in year		
Less Minimum Revenue Provision	(29,258)	(22,137)
Use of capital receipt for repayment of debt	(1,940)	(1,716)
Increase in underlying need to borrowing (unsupported by government financial assistance)	40,138	42,368
<b>Increase in Capital Financing Requirement</b>	<b>8,941</b>	<b>18,515</b>

## 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:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Not later than one year	16,203	15,052
Later than one year and not later than five years	55,101	53,385
Later than five years	961,727	896,667
	<b>1,033,031</b>	<b>965,104</b>

The minimum lease payments receivable at 31 March 2025 and 2024 are based on the current rents receivable at the respective Balance Sheet dates. They do not include estimates of future rents reviews or contingent rents.

### Council as Lessee

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

#### Right of Use Assets

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

	<b>Land and Buildings £'000</b>	<b>Vehicles, Plant &amp; Equipment £'000</b>	<b>Total £'000</b>
<b>Balance as at 1 April 2024</b>	<b>41,333</b>	<b>1,135</b>	<b>42,469</b>
Additions	7,132	902	8,034
Revaluations	(5,048)	-	(5,048)
Depreciation & Amortisation	(1,988)	(347)	(2,336)
<b>Balance as at 31 March 2025</b>	<b>41,429</b>	<b>1,690</b>	<b>43,118</b>

## Lease Liabilities

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

	<b>£'000</b>
<b>Balance as at 1 April 2024</b>	(3,674)
Additions	(6,794)
Less Lease Payments	2,338
Interest Incurred	(368)
<b>Balance as at 31 March 2025</b>	<b>(8,498)</b>

The balance as at 31 March 2025 can be further broken down as follows:

	<b>£'000</b>
Current Lease Liability	(2,746)
Non-Current lease liability	(5,752)
<b>Total</b>	<b>(8,498)</b>

## 27 Service Concessions

### Schools PFI Phase 1A

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

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

As at 31 March 2025, cumulative payments totalling £195m (£183m in 2023/24) 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	Repayment of Liability	Interest	Other	Total
	£'000	£'000	£'000	£'000	£'000
2025/26	3,560	1,786	1,878	3,815	11,039
2026/27 to 2029/30	15,151	10,310	5,038	11,361	41,860
2030/31 to 2031/32	5,584	3,867	566	4,897	14,914
<b>Total</b>	<b>24,295</b>	<b>15,963</b>	<b>7,482</b>	<b>20,073</b>	<b>67,813</b>

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 2025, cumulative payments totalling £300m (£278m in 2023/24) 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
2025/26	6,178	4,897	5,135	6,055	22,265
2026/27 to 2029/30	26,560	23,487	16,510	24,538	91,095
2030/31 to 2034/35	32,819	38,299	8,360	24,641	104,119
<b>Total</b>	<b>65,557</b>	<b>66,683</b>	<b>30,005</b>	<b>55,234</b>	<b>217,479</b>

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 2025, payments totalling £46m (£43m at 31 March 2024) 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
2025/26	394	726	1,613	833	3,616
2026/27 to 2029/30	1,636	4,668	5,474	2,890	14,668
2030/31 to 2034/35	2,236	6,841	3,990	5,771	18,838
2035/36 to 2036/37	1,054	3,298	520	2,603	7,475
<b>Total</b>	<b>5,320</b>	<b>15,533</b>	<b>11,597</b>	<b>12,147</b>	<b>44,597</b>

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	
	2024/25 £'000	2023/24 £'000	2024/25 £,000	2023/24 £'000
Balance outstanding at the start of year	89,581	96,265	11,140	11,618
IFRS 16 transition adjustment	(957)	-	5,155	-
Restated balance outstanding at the start of year	88,624	96,265	16,295	11,618
24/25 Lease liability remeasurement	2,600	-	489	-
Movement in year	(5,979)	(6,684)	(762)	(478)
<b>Balance outstanding at year end</b>	<b>85,245</b>	<b>89,581</b>	<b>16,022</b>	<b>11,140</b>

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 2024/25 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 £275k 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 £'000	Repayment of Liability £'000	Interest £'000	Total £'000
2025/26	42,975	2,175	150	45,300
2026/27 to 2027/28	10,765	4,304	31	15,100
<b>Total</b>	<b>53,740</b>	<b>6,479</b>	<b>181</b>	<b>60,400</b>

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

	Schools		Hengrove Leisure		Bristol Waste Contract		Total	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance outstanding at the start of year	89,581	96,265	11,141	11,618	8,590	10,746	109,312	118,629
IFRS 16 transition adjustment	(957)	-	5,155	-	-	-	4,198	-
Restated balance outstanding at the start of year	88,624	96,265	16,296	11,618	8,590	10,746	113,510	118,629
Movement in year	(3,379)	(6,684)	(273)	(477)	(2,111)	(2,156)	(5,763)	(9,317)
<b>Balance outstanding at year end</b>	<b>85,245</b>	<b>89,581</b>	<b>16,023</b>	<b>11,141</b>	<b>6,479</b>	<b>8,590</b>	<b>107,747</b>	<b>109,312</b>

## 28 Debtors

	31 March 2025 £'000	31 March 2024 £'000
<b>i Current debtors</b>		
Trade receivables	20,355	33,994
Prepayments	11,399	11,750
VAT	15,660	14,966
Other	178,198	169,784
<b>Total</b>	<b>225,612</b>	<b>230,494</b>

Impairments for doubtful debts are detailed in Note 24.

	31 March 2025 £'000	31 March 2024 £'000
<b>ii Long-term debtors</b>		
Mortgages	190	190
Capital loans (Probation/Fire/LEP/Bristol Waste)	25,308	21,050
South Gloucestershire Council	245	327
Former County Council debt	32,009	33,343
<b>Total</b>	<b>57,752</b>	<b>54,910</b>

## 29 Inventories

	31 March 2025 £'000	31 March 2024 £'000
Stock	3,354	3,374
<b>Total</b>	<b>3,354</b>	<b>3,374</b>

## 30 Cash and Cash Equivalents

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

	31 March 2025 £'000	31 March 2024 £'000
Cash held by the Council	210	254
Bank current accounts	(12,051)	(9,939)
Short-term deposits with banks / building societies	55,228	68,100
<b>Total Cash and Cash Equivalents</b>	<b>43,387</b>	<b>58,415</b>

## 31 Creditors

	31 March 2025 £'000	31 March 2024 £'000
<b>Current liabilities</b>		
Trade payables	36,124	51,121
Other payables	141,025	162,184
Receipts in advance	18,628	15,361
<b>Total</b>	<b>195,777</b>	<b>228,666</b>
<b>Other long-term liabilities</b>		
Service Concession contract liabilities (see Note 27)	98,163	99,567
Retirement benefit obligations (see Note 34)	102,891	234,807
Deferred liabilities	39,097	34,734
Rent Deposits	103	99
<b>Total</b>	<b>240,254</b>	<b>369,207</b>

Deferred liabilities are amounts which, by arrangement, are payable beyond the next year, at some point in the future or are to be paid off by an annual sum over a period. As at 31 March 2025 the liability in the Council's Balance Sheet of £39.1 million (2024: £34.7m) comprised of former County Council loan debt.

## 32 Provisions

	Balance at 31 March 2024	Additional provisions made in 2024/25	Amounts used in 2024/25	Balance at March 2025	Due < 1 year	Due > 1 year
	£'000	£'000	£000	£'000	£'000	£'000
Business Transformation	(58)	(221)	55	(224)	(224)	-
Succession Planning	(375)	-	-	(375)	(375)	-
Insurance fund	(1,840)	(1,756)	1,005	(2,591)	(1,857)	(734)
NDR Provision for appeals	(22,463)	(8,682)	9,233	(21,912)	(10,000)	(11,912)
Legal	(498)	-	-	(498)	(498)	-
Other	(336)	(33)	-	(369)	-	(369)
	<b>(25,570)</b>	<b>(10,692)</b>	<b>10,293</b>	<b>(25,969)</b>	<b>(12,954)</b>	<b>(13,015)</b>
Due < 1 year	(12,249)			(12,954)		
Due > 1 year	(13,321)			(13,015)		
	<b>(25,570)</b>			<b>(25,969)</b>		

Details of the provisions are shown in the table below:

Provision	Purpose
Business Transformation	Covers pension stain on the fund costs arising from the Council's restructure proposals.
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
Other	Other provisions are individually not material

### 33 Unusable Reserves

	31 March 2025 £'000	Restated 31 March 2024 £'000
Revaluation Reserve	(1,189,654)	(1,105,435)
Capital Adjustment Account	(1,758,590)	(1,596,373)
Financial Instruments Adjustment Account	6,188	6,365
Deferred Capital Receipt Reserve	(14,578)	(10,026)
Pensions Reserve	107,532	244,091
Collection Fund Adjustment Account – Council tax	(926)	(3,678)
Collection Fund Adjustment Account – NNDR	6,797	(4,662)
Accumulated Absences Account	9,670	9,259
Dedicated Schools Grant Adjustment Account	55,892	39,682
	<u>(2,777,671)</u>	<u>(2,420,777)</u>

#### 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.

	2024/25 £'000	2024/25 £'000	2023/24 £'000	2023/24 £'000
Balance at 1 April		(1,105,435)		(1,175,881)
Upward revaluation of assets	(149,926)		(63,909)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	25,304		109,899	
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		(124,622)		45,990
Amount written off to the Capital Adjustment Account		40,403		24,456
<b>Balance at 31 March</b>		<u><b>(1,189,654)</b></u>		<u><b>(1,105,435)</b></u>

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

	2024/25	Restated 2023/24
	£'000	£'000
<b>Balance at 1 April</b>	(1,596,373)	(1,510,396)
<b>Adjustment to Opening Balance: IFRS 16 Lease Transition</b>	(10,584)	-
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>		
Charges for depreciation and impairment of non-current assets	82,357	73,993
Revaluation losses on Property, Plant and Equipment	14,899	55,448
Amortisation of Intangible Assets	4,023	4,666
Movement in the fair value of financial Instruments	(132)	(9,456)
Revenue Expenditure Funded from Capital Under Statute	49,709	48,859
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	36,738	16,046
	(1,419,362)	(1,342,593)
Adjusting amounts written out of the Revaluation Reserve	(40,403)	(24,456)
Net written out amount of the cost of non-current assets consumed in the year	(1,459,765)	(1,345,296)
<b>Capital financing applied in the year:</b>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(56,037)	(55,646)
Use of the Major Repairs Reserve to finance new capital expenditure	(36,393)	(32,894)
Use of the Capital Grants Unapplied to finance new capital expenditure	(538)	(1,534)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(130,413)	(90,648)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(29,258)	(22,137)
Use of the Capital Receipts Reserve for repayment of Long-Term Investments financed by borrowing	(1,940)	(1,716)
Long Term Capital Investment repaid	1,940	1,716
Capital expenditure charged against the General Fund and HRA balances	(21,630)	(21,784)

Movements in the market value of Investments debited or credited to the Comprehensive Income and Expenditure Statement	(1,734,034)	(1,569,939)
	(24,556)	(26,434)
<b>Balance at 31 March</b>	<b>(1,758,590)</b>	<b>(1,596,373)</b>

### 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 2025 will be charged to the General Fund over the next 36 years.

	2024/25	2024/25	2023/24	2023/24
	£'000	£'000	£'000	£'000
Balance at 1 April		6,365		6,543
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement				
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(177)		(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		(177)		(178)
<b>Balance at 31 March</b>		<b>6,188</b>		<b>6,365</b>

### Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the 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.

	2024/25	2023/24
	£'000	£'000
Balance at 1 April	(10,026)	(10,026)
Transfer of deferred sale proceeds credited as part of gain/loss on disposal to the comprehensive income and expenditure statement	(5,125)	-
Transfer to the capital receipts reserve upon receipt of cash	573	-
<b>Balance at 31 March</b>	<b>(14,578)</b>	<b>(10,026)</b>

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to 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.

	2024/25 £'000	2023/24 £'000
<b>Balance at 1 April</b>	244,091	342,482
Remeasurements on pensions assets and liabilities	(131,934)	(99,795)
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	53,151	54,891
Employer's pensions contributions and direct payments to pensioners payable in year	(57,776)	(53,487)
<b>Balance at 31 March</b>	<b>107,532</b>	<b>244,091</b>

## Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rate payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	(8,340)	(3,492)
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	14,212	(4,848)
<b>Balance at 31 March</b>	<b>5,871</b>	<b>(8,340)</b>

## 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.

	2024/25 £'000	2024/25 £'000	2023/24 £'000	2023/24 £'000
<b>Balance at 1 April</b>		9,259		9,436
Settlement or cancellation of accrual made at the end of the preceding year	(9,259)		(9,436)	
Amounts accrued at the end of the current year	9,670		9,259	
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		411		(177)
<b>Balance at 31 March</b>		<b>9,670</b>		<b>9,259</b>

### Dedicated Schools Grant Adjustment Account

Regulations effective from 1 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 1 April 2020, 1 April 2021 or 1 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 1 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.

	2024/25 £'000	2023/24 £'000
Balance at 1 April	39,682	39,682
Transfer of the opening Dedicated Schools Grant deficit from earmarked revenue reserves	-	-
Reversal of the Dedicated Schools Grant within the surplus deficit on the provision of services in the Comprehensive Income and Expenditure Account	16,210	-
<b>Balance at 31 March</b>	<b>55,892</b>	<b>39,682</b>

## 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 2024/25 was 28.68% resulting in a total payment of £14,142 million (£11.457m in 2023/24) to the Teachers' Pension Agency. In addition, the Council made payments totalling £2.915 million (£2.762m in 2023/24) 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 £1.551 million (£1.548m in 2023/24). 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 2024/25 a total payment of £0.457 million (£0.434m in 2023/24) 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	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
<b>Income and Expenditure Account</b>				
<b>Net cost of services</b>				
Current service cost	40,448	39,094	-	-
Past service gains/curtailment costs/Settlements	986	564	-	-
Administration expense	1,507	1,374	-	-
<b>Financing and Investment Income</b>				
<b>Expenditure</b>				
Net interest cost	8,099	11,628	2,111	2,231
<b>Total post-employment benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>51,040</b>	<b>52,660</b>	<b>2,111</b>	<b>2,231</b>
<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>				
Remeasurements (assets/liabilities)	(128,992)	(99,503)	(2,942)	(293)
<b>Movement in Reserves Statement</b>				
Reversal of net charges made for retirement benefits in accordance with IAS19	(51,040)	(52,660)	(2,111)	(2,231)
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to scheme	53,309	49,176	4,467	4,311

The Housing Revenue Account (HRA) Income and Expenditure Account has also been adjusted in 2024/25 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:		Unfunded liabilities:		Unfunded liabilities:		Total Liability	
	Local Government Pension Scheme		Local Government Pension Scheme		Teachers' Unfunded Pensions		Local Government & Teachers Pensions	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
<b>01-Apr</b>	(2,184,720)	(2,159,443)	(22,998)	(24,893)	(45,316)	(47,689)	(2,253,034)	(2,232,025)
Current service cost	(40,448)	(39,094)	-	-	-	-	(40,448)	(39,094)
Interest on pension liabilities	(105,002)	(101,831)	(1,058)	(1,129)	(2,111)	(2,231)	(108,171)	(105,191)
Contributions by scheme participants	(16,183)	(14,942)	-	-	-	-	(16,183)	(14,942)
Remeasurement (liabilities)	(63,577)	-	-	-	-	-	(63,557)	-
Effect of Asset Ceiling								
Experience gain/(loss)	2,670	(21,786)	35	(217)	129	(421)	2,834	(22,424)
Gain/(loss) on financial assumptions	292,969	32,551	1,301	150	2,516	-	296,786	32,701
Gain/(loss) on demographic assumptions	5,193	29,480	94	339	297	714	5,584	30,533
Benefits paid	94,097	90,909	2,794	2,752	4,467	4,311	101,358	97,972
Past service grants, curtailment costs and settlements	4,775	(564)	-	-	-	-	4,775	(564)
<b>31-Mar</b>	<b>(2,010,226)</b>	<b>(2,184,720)</b>	<b>(19,832)</b>	<b>(22,998)</b>	<b>(40,018)</b>	<b>(45,316)</b>	<b>(2,070,076)</b>	<b>(2,253,034)</b>

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

	2024/25	2023/24
	£'000	£'000
<b>01-Apr</b>	2,018,331	1,889,646
Interest on plan assets	97,961	91,332
Remeasurement (assets)	(109,693)	58,986
Administration expense	(1,507)	(1,374)
Settlements	(5,761)	-
Employer contributions	48,667	58,460
Contributions by scheme participants	16,183	14,942
Benefits paid	(96,891)	(93,661)
<b>31-Mar</b>	<u>1,967,290</u>	<u>2,018,331</u>

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 (£11.733m) (2023/24 £150.318m).

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

	2024/25	2023/24	2022/23
	£'000	£'000	£'000
<b>Present value of liabilities:</b>			
Local Government Pension Scheme	(1,966,481)	(2,207,718)	(2,184,336)
Teachers' unfunded liabilities	(40,018)	(45,316)	(47,689)
Local Government Pension Scheme - Effect of Asset Ceiling	(63,577)	-	-
<b>Fair value of assets in the Local Government Pension Scheme</b>	1,967,290	2,018,331	1,889,646
<b>Surplus/(deficit) in the scheme:</b>			
Local Government Pension Scheme	(62,768)	(189,387)	(294,690)
Teachers' unfunded liabilities	(40,018)	(45,316)	(47,689)
<b>Total</b>	<u>(102,786)</u>	<u>(234,703)</u>	<u>(342,379)</u>

The total liabilities shown in the Balance Sheet comprise the above (£102,786m) together with a small amount in respect of pre-1974 liabilities (£0.104m) totalling (£102,890m).

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

In accordance with IAS 19, the net interest charge is calculated on the opening net defined benefit position, which would include any opening adjustment for the asset ceiling where applicable; any such interest forms part of the net interest recognised in the Comprehensive Income and Expenditure Statement. Only the change in the effect of the asset ceiling (excluding amounts included in net interest) is recognised in Other

Comprehensive Income. For 2024/25, there was no opening asset-ceiling balance and therefore no interest arose on the asset ceiling (2024/25: £nil; 2023/24: £nil). The £63.577m shown is the change in the effect of the asset ceiling recognised in OCI.

### **Basis for Estimating Assets and Liabilities**

Liabilities have been assessed using the projected unit credit actuarial cost method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Council's Fund being based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Teachers' Unfunded Pensions	
	2024/25	2023/24	2024/25	2023/24
<b>Mortality assumptions:</b>				
Longevity at 65 for current pensioners:				
Men	22	22	22	22
Women	24.1	24.1	24.1	24.1
Longevity at 75 for current pensioners:				
Men	-	-	13.4	13.5
Women	-	-	15.1	15.1
Longevity at 65 for future pensioners:				
Men	23.2	23.3	-	-
Women	26.1	25.8	-	-
Rate for discounting scheme liabilities	5.8	4.9	5.7	4.9
Rate of inflation - CPI	2.6	2.7	2.7	2.7
Rate of increase in salaries	4.1	4.2	-	-
Rate of increase in pensions	2.7	2.8	2.8	2.8

The estimated Macaulay duration of liabilities (at later of 31 March 2025 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 31 March 2025.

<b>Impact on the Defined Benefit Obligation in the Scheme (LGPS)</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Longevity (increase or decrease by 1 year)	43,390	55,165
Rate of inflation (increase or decrease by 0.25%)	71,634	87,378
Rate of increase in salaries (increase or decrease by 0.25%)	10,952	12,168
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	(136,831)	(165,207)
<b>Impact on the Defined Benefit Obligation in the Scheme (Teachers)</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Longevity (increase or decrease by 1 year)	1,493	1,741
Rate of inflation (increase or decrease by 0.25%)	825	926
Rate of increase in salaries (increase or decrease by 0.5%)	(1,390)	(1,559)

### Local Government Pension Scheme assets comprise

<b>Asset Category</b>	<b>Sub-Category</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
		<b>£'000</b>	<b>£'000</b>
Equities	Global Quoted	802,654	1,009,166
	<b>Sub-total equities</b>	<b>802,654</b>	<b>1,009,166</b>
Bonds	UK Government Indexed	379,687	464,216
	Sterling Corporate Bonds	188,860	181,650
	<b>Sub-total bonds</b>	<b>568,547</b>	<b>645,866</b>
Property	Property Funds	100,332	104,953
	<b>Sub-total property</b>	<b>100,332</b>	<b>104,953</b>
Alternatives	Hedge Funds	5,902	8,073
	Diversified Growth Funds	131,808	129,173
	Infrastructure	175,089	149,357
	Secured Income	212,467	207,888
	EFT's	7,869	2,018
	Private Debt	86,561	70,642
	<b>Sub-total alternatives</b>	<b>619,696</b>	<b>567,151</b>
Cash and equivalents	Cash Accounts	(123,939)	(308,805)
	<b>Sub-total cash</b>	<b>(123,939)</b>	<b>(308,805)</b>
<b>Total Assets</b>		<b>1,967,290</b>	<b>2,018,331</b>

### 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 2026 are £48.750 million. Expected contributions for the Teacher Pensions Scheme in the year to 31 March 2026 are £4.467 million.

### **Unfunded Teachers' Discretionary Benefits**

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

### **Governance**

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

### **Impact on the Council's Cash Flows**

The Scheme targets a pension paid throughout life. The amount of pension depends on how long employees are active members of the Scheme and their salary when they leave the Scheme ("final salary scheme") for service up to 31 March 2015, and on a revalued average salary ("career average scheme") for service from 1 April 2015.

The Council's involvement is limited to additional discretionary pension benefits to retired teachers which were rewarded at the point of retirement.

### Risks Strategy

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

### Investment Risks

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

## 35 Cash Flow Statement – Operating Activities

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

	2024/25 £'000	2023/24 £'000
Interest received	11,844	10,910
Interest paid	(41,036)	(38,782)
Dividends received	3,438	2,853

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

	2024/25 £'000	Restated 2023/24 £'000
Depreciation, impairment and downward revaluations	97,256	136,619
Amortisation	4,023	4,666
Increase/(decrease) in impairment for bad debt	566	1,383
(Decrease)/increase in creditors	(28,213)	3,673
(Increase)/decrease in debtors	5,038	(50,147)
(Increase)/decrease in inventories	20	(1,018)
Movement in pension liability	16	1,404
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	32,540	8,869
Other non-cash items charged to the net surplus or deficit on the provision of services	(17,902)	(37,553)
<b>Net cash flows from non-cash movements</b>	<b>93,344</b>	<b>67,896</b>

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

	2024/25 £'000	2023/24 £'000
Any other items for which the cash effects are investing or financing cash flows	(132,930)	(101,156)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(34,401)	(14,580)
	<b>(167,331)</b>	<b>(115,736)</b>

### 36 Cash Flow Statement - Investing Activities

	2024/25 £'000	2023/24 £'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(248,307)	(187,552)
Purchase of short-term and long-term investments	(10,000)	(22,000)
Other (payments)/receipts for investing activities	(272)	(897)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	29,848	14,580
Proceeds from short-term and long-term investments	10,000	62,343
Other receipts from investing activities	142,220	114,259
<b>Net cash flows from investing activities</b>	<b>(76,510)</b>	<b>(19,266)</b>

Other receipts from investing activities include capital grants received in year of £140.8 million.

### 37 Cash Flow Statement - Financing Activities

	2024/25 £'000	2023/24 £'000
Cash receipts of short- and long-term borrowing	362,002	50,005
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(9,588)	(9,699)
Repayments of short- and long-term borrowing	(252,720)	(1,522)
Council tax and NNDR adjustments	1,463	5,216
<b>Net cash flows from financing activities</b>	<b>101,157</b>	<b>43,999</b>

## 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 2024/25 was £21,000 to Therapy Space Bristol Ltd.

A member of the Council is a trustee of The Robins Foundation, a registered charity. During 2024/25, the Council made payments totalling £1.023 million to the charity in respect of commissioned social care services and grant funding.

The member did not take part in any decisions relating to the funding arrangements. The transaction was conducted at arm's length and in accordance with the Council's standard procedures.

Central Government has significant influence over the general operations of the Council - it is responsible for providing the statutory framework within which the Council operates. It provides the majority of its funding in the form of grants, which are disclosed in Note 16.

The Council has interests in a number of companies over which it has significant influence or control as set out below.

Name	Nature of Council relationship	Transactions with the Council	Nature of transactions	Balances owed to / (from) the Council as at 31 3 2025
Bristol Holdings Limited	100% subsidiary The Council has one Director post on the Board.	No recharges from BCC	Recharges	£350.1k preference share interest owed to BCC
Bristol Waste Company	100% subsidiary of Bristol Holding Limited The Council has one Director post on the Board.	£57.4m payments by Council to company £2.4m recharges from Company to Council	Contract for waste collection and recycling services Recharges	£6.1m loan from BCC for the acquisition of waste vehicles. £7m owed by the Council (net). £6.5m Service concession contract.
Goram Homes Ltd	100% subsidiary of Bristol Holdings Limited. The Council has one Director post on the Board.	Working capital facility £4.1m and £16.5m loan	Development of building projects	£16.5m 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 post 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.	£1.1m 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 1 April 2018. These included concessionary fares, community transport, key route network development and bus service information. WECA has commissioned South Gloucestershire Council to provide concessionary fares on its behalf since 2019/20.

WECA levies the constituent authorities for the cost of the services for which it is now responsible. This is shown under Other Operating Expenditure. The value of the levy in 2024/25 is £10.235 million (2023/24 £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 Council's 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 2025, litigation proceedings had not commenced and no claims have been received.

Thurrock Council has taken 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.

## **Equal Pay Disclosure**

The Council continues to receive claims for equal pay. These claims are being considered on a case-by-case basis and are subject to legal processes. It is not possible to estimate the financial impact (if any) of these claims, and therefore no provision has been made in the accounts. The Council will continue to monitor developments closely.

## 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	2024/25 Net £'000	2023/24 Net £'000
<b>Expenditure</b>			
Repairs and maintenance		45,044	44,359
Supervision and management		47,932	45,432
Special services		12,506	12,880
Rent, rates, taxes and other charges		898	861
Depreciation and impairment of non-current assets	4	36,165	33,255
Debt management		110	45
Debt write offs and movement in the allowance for bad debts		2,192	2,282
<b>Total expenditure</b>		<b>144,846</b>	<b>139,113</b>
<b>Income</b>			
Dwelling rents	2	(134,785)	(123,996)
Non-dwelling rents		(973)	(1,025)
Charges for services and facilities		(12,273)	(11,338)
Contributions towards expenditure		(290)	(412)
<b>Total income</b>		<b>(148,321)</b>	<b>(136,771)</b>
<b>Net cost of HRA services as included in the Comprehensive Income and Expenditure Statement</b>			
Net cost of HRA services		(3,474)	2,342
(Gain) on sale of HRA non-current assets		(11,248)	(3,510)
Movement in the Fair Value of Investment Properties		1,080	548
Interest payable and similar charges		11,251	11,402
HRA interest and investment income		(2,826)	(8,322)
Pensions interest costs and expected return on assets	5	1,233	1,596
Capital Grants and Contributions Receivable		(41,580)	(5,977)
<b>(Surplus) for the year on HRA services</b>		<b>(45,564)</b>	<b>(1,922)</b>

## Statement of movement on the HRA Balance

	Note	31 March 2025 Net £'000	31 March 2024 Net £'000
HRA balance brought forward		(72,129)	(99,450)
(Surplus) for the year on the HRA Income and Expenditure Account		(45,564)	(1,922)
Adjustments between accounting basis and funding basis under statute		72,696	29,419
<b>(Increase) before reserve transfers</b>		<b>27,132</b>	<b>27,497</b>
Transfer from/to reserves		-	(176)
<b>Net (increase) on HRA balance</b>		<b>27,132</b>	<b>27,321</b>
<b>HRA balance carried forward</b>		<b>(44,997)</b>	<b>(72,129)</b>

## Note to the statement of movement on the HRA Balance

	Note	31 March 2025 Net £'000	31 March 2024 Net £'000
<b>Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year</b>			
Depreciation and impairment of property, plant & equipment	4	(35,619)	(32,629)
Amortisation of Intangible Fixed Assets	4	(546)	(626)
Fair value movements on investment properties		(1,080)	(548)
Net charges made for retirement benefits in accordance with IAS19	5	(6,115)	(6,093)
Net gain/(loss) on disposal of assets		11,248	3,510
Capital Grants and Other Contributions	6	41,580	5,977
		<b>9,467</b>	<b>(30,409)</b>
<b>Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year</b>			
Capital expenditure funded by the HRA	6	20,846	21,167
Employer's contributions payable to the Avon Pension Fund and retirement benefits payable direct to pensioners	5	6,355	5,419
HRA depreciation to Major Repairs Reserve	8	36,028	33,242
Amortisation of premiums			
		<b>63,229</b>	<b>59,828</b>
<b>Net additional amount required by statute to be debited or credited to the HRA Balance for the year</b>		<b>72,696</b>	<b>29,419</b>

## Notes to the Housing Revenue Account

### 1 Dwelling numbers as at 31 March 2025

	31 March 2025	31 March 2024
Houses	11,152	11,095
Bungalows	1,077	1,077
Flats	14,527	14,494
<b>Total Dwellings held at 31 March</b>	<b>26,756</b>	<b>26,666</b>

### 2 Rent and Rent Arrears

The total value of dwelling rents in 2024/25, less rent attributable to empty properties (voids), is £134.8 million (£124m in 2023/24). The amount of rent arrears, including recoverable housing benefit, water charges, defect charges, etc are:

	31 March 2025 £'000	31 March 2024 £'000
Former tenants	4,298	3,611
Current tenants	12,389	11,580
<b>Balance Sheet Provision</b>	<b>16,687</b>	<b>15,191</b>
Former tenants	3,642	3,148
Current tenants	8,544	7,928
	<b>12,187</b>	<b>11,076</b>

### Vacant Possession

The vacant possession value of dwellings as at 1st April 2025 was £5.71 billion. The value of dwellings in the balance sheet (excluding dwellings leased to Registered Social Landlords) was £2.00 billion, a difference of £3.71 billion. This difference reflects the economic cost of providing Council housing at less than market rent. This cost is determined by applying the Government prescribed discount rate of 35% of the Market Value to the vacant possession value.

### 3 Sums Directed by the Secretary of State to be Debited or Credited to the HRA

In 2024/25 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

	2024/25 £'000	2023/24 £'000
<b>Depreciation</b>		
Operational Assets - Dwellings	35,156	32,348
- Other, including leased	872	894
	<b>36,028</b>	<b>33,242</b>
Intangible Fixed Assets	546	626
<b>Total depreciation</b>	<b>36,574</b>	<b>33,868</b>
Revaluation (gain) losses	(409)	(613)
<b>Total depreciation, Revaluation losses and impairment</b>	<b>36,165</b>	<b>33,255</b>

There was a surplus on revaluation of £1.1m charged to the surplus on provision of Services (2023/24: £0.5m loss)

#### 5 HRA Share of Contributions to/from Pension Reserve

For 2024/25 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 £1.2m (2023/24 £1.6m). 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 (2023/24 (£6.1m)). This is excluded from the HRA Balance for the year and replaced with Employers Contributions payable £6.4m (2023/24 (£5.4m)) with the net movement on the Pension reserves of £0.2m (2023/24 £0.66m). 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:

	2024/25 £'000	2023/24 £'000
<b>Expenditure</b>		
Dwellings	69,813	100,717
Other Assets	69,734	1,466
	<b>139,546</b>	<b>102,184</b>
<b>Financing</b>		
Usable capital receipts	40,744	42,145
Revenue contributions to capital	20,846	21,167
Major Repairs Reserve	36,377	32,894
Other	41,580	5,977
	<b>139,546</b>	<b>102,184</b>

## 7 Capital Receipts

Capital receipts received during the year from disposals of land, houses and other property within the HRA was £16.7 million (£11.1m in 2023/24). The receipts are summarised as follows:

	2024/25 £'000	2023/24 £'000
Receipts unapplied brought forward - 1 April	38,165	69,158
Right to Buy sales	9,613	11,088
Disposal of Land and Buildings	394	64
Balance Sheet Reclassification	6,642	-
	<b>54,815</b>	<b>80,310</b>
Allowable reductions		
Capital receipts applied	(40,744)	(42,145)
<b>Capital receipts unapplied carried forward - 31 March</b>	<b>14,071</b>	<b>38,165</b>

## 8 Major Repairs Reserve

	2024/25 £'000	2023/24 £'000
Balance brought forward - 1 April	<b>(10,349)</b>	<b>(10,001)</b>
Capital expenditure (dwellings)	36,377	32,894
Major Repairs Allowance set aside in year	(36,028)	(33,242)
<b>Balance carried forward - 31 March</b>	<b>(10,000)</b>	<b>(10,349)</b>

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 £36.0 million for 2024/25 (2023/24 - £33.2m). £36.4 million was used to finance appropriate Housing Revenue Account capital expenditure.

## 9 Balance Sheet Value of Land and Houses, etc.

	2024/25 £'000	2023/24 £'000
Dwellings	2,029,619	1,899,682
Land	47,601	47,103
Other assets	91,024	64,782
	<b>2,168,244</b>	<b>2,011,567</b>

**10 Asset Split**

	2024/25	2023/24
	£'000	£'000
Operational - dwellings	2,029,619	1,899,682
Operational - other land and buildings	131,993	103,684
Non-operational	6,632	8,201
Intangible	3,578	2,233
	<b>2,171,822</b>	<b>2,013,800</b>

## Collection Fund

31 March 2024			31 March 2025			
£'000	£'000	£'000		£'000	£'000	£'000
Business Rates	Council Tax	Total	Note	Business Rates	Council Tax	Total
<b>Income</b>						
-	312,859	312,859	Council Tax	-	334,357	334,357
214,069	-	214,069	Non-Domestic Rates	233,954	-	233,954
20,071	-	20,071	Transitional Protection Payment	4,864	-	4,864
<b>Contributions towards previous years</b>						
<b>Collection Fund Deficit:</b>						
8,418	(1,671)	6,747	Bristol City Council Avon & Somerset Police and Crime	(7,303)	(712)	(8,015)
-	(220)	(220)	Commissioner	-	(94)	(94)
90	(69)	21	Avon Fire Authority West of England Combined	(78)	(29)	(107)
448	-	448	Authority	(388)	-	(388)
<b>243,095</b>	<b>310,899</b>	<b>553,994</b>		<b>231,049</b>	<b>333,522</b>	<b>564,571</b>
<b>Expenditure</b>						
<b>Apportionment of Previous Years Surplus</b>						
1,031	-	1,031	Central Government	-	-	-
<b>1,031</b>	<b>-</b>	<b>1,031</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Precepts, Demands and Shares</b>						
206,185	258,801	464,986	Bristol City Council Avon & Somerset Police and Crime	210,023	282,398	492,421
-	34,514	34,514	Commissioner	-	37,623	37,623
2,193	10,755	12,948	Avon Fire Authority West of England Combined	2,234	11,512	13,746
10,967	-	10,967	Authority	11,171	-	11,171
219,345	304,070	523,415		223,428	331,533	554,961
<b>Charges to the Collection Fund</b>						
2,917	5,264	8,181	Write offs of uncollectable amounts	2,944	4,056	7,000
(4,671)	(708)	(5,379)	Increase/(Decrease) in bad debt provision	(1,748)	1,163	(585)
700	-	700	Cost of Collection Allowance	701	-	701
22,038	-	22,038	Disregarded amounts	18,501	-	18,501
(2,116)	-	(2,116)	Increase/(Decrease) in provision for appeals	(586)	-	(586)
18,868	4,556	23,424		19,812	5,219	25,031
<b>3,851</b>	<b>2,274</b>	<b>6,125</b>	<b>Surplus/ (Deficit) for the year</b>	<b>(12,191)</b>	<b>(3,230)</b>	<b>(15,421)</b>
<b>1,109</b>	<b>2,049</b>	<b>3,157</b>	<b>Surplus/ (Deficit) as at 1 April</b>	<b>4,960</b>	<b>4,322</b>	<b>9,282</b>
<b>4,960</b>	<b>4,322</b>	<b>9,282</b>	<b>Surplus/ (Deficit) as at 31 March</b>	<b>(7,231)</b>	<b>1,092</b>	<b>(6,139)</b>

## 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 134,752 for 2024/25 (129,653 for 2023/24). 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 £2,460.32 for 2024/25 (£2,345.24 for 2023/24) 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 2024/25 council tax

	BANDS								Total	
	A Entitled to Disabled Relief	A	B	C	D	E	F	G		H
No of Properties	-	56,480	75,896	40,866	19,676	9,988	4,900	2,881	354	211,041
Exemptions and disabled relief	-39	-4,129	-1,657	-1,410	-1,322	-1,137	-180	-42	9	-9,907
Less Discounts	73	-5,799	-5,762	-2,824	-1,146	-532	-210	-120	-62	-16,382
<b>Total Equivalent Dwellings</b>	<b>34</b>	<b>46,552</b>	<b>68,477</b>	<b>36,632</b>	<b>17,208</b>	<b>8,319</b>	<b>4,510</b>	<b>2,719</b>	<b>301</b>	<b>184,752</b>
Ratio	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
<b>Band D Equivalents</b>	<b>19</b>	<b>31,034</b>	<b>53,260</b>	<b>32,562</b>	<b>17,208</b>	<b>10,168</b>	<b>6,515</b>	<b>4,532</b>	<b>602</b>	<b>155,899</b>
Add Changes re: Additional Properties										2,733
Additional Exemptions										(2,297)
Council Tax Support										(18,833)
Rate of Collection 98%										2,750
<b>Council Tax Base</b>										<b>134,752</b>

### 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	51,789	43,941	5,918	1,931
Bad debt allowance	(34,469)	(29,245)	(3,939)	(1,285)
Prepayments and overpayments	(6,091)	(5,168)	(696)	(227)
Surplus/ (Deficit) at 31 March	(1,093)	(927)	(125)	(41)

Business Rates	Total	Bristol City Council	West of England Combined Authority	Avon Fire Authority	Central Government
	£'000	£'000	£'000	£'000	£'000
Debtors	13,565	12,751	678	136	
Bad debt allowance	(6,893)	(6,480)	(345)	(69)	
Prepayments and overpayments	(9,535)	(8,963)	(477)	(95)	
Appeals provision	(23,311)	(21,912)	(1,166)	(233)	
Surplus/ (Deficit) at 31 March	7,232	6,798	362	72	0

### 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 2024/25 the non-domestic rating multiplier was 54.6p (51.2p in 2023/24) and the small business non-domestic rating multiplier was 49.9p (49.9p in 2023/24).

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 £233.343 million for 2024/25 (£217.938 for 2023/24). The total rateable value at 31 March 2025 was £598.935 million (£600.025m at 31 March 2024).

## 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
<b>Funds held by BRP at 1 April</b>	(104,402)	(28,224)	-	-
Receipts into the Pool in-year				
- Growth sums payable by Council's to BRP in year	(54,715)	(18,269)	13,273	-
Distributions out of the Pool in-year				
- Tier 1 no worse off	18,322	8,490	-	(8,307)
- BRP management fee	38	9	-	-
- EDF management fee	75	19	-	-
- Tier 2 EDF funding	9,652	1,203	-	0
- Tier 3 demographic and service pressur	46,865	12,076	-	(4,501)
<b>Funds held by BRP at 31 March</b>	<b>(84,166)</b>	<b>(24,696)</b>		
Analysed between:				
Uncommitted cash (Tier 2 inc contingency)	(8,505)	(5,671)	n/a	n/a
Committed cash (Tier 3)	(75,661)	(19,025)	n/a	n/a
<b>Expenditure/(Revenue) recognised</b>	<b>(84,166)</b>	<b>(24,696)</b>	<b>13,273</b>	<b>(12,808)</b>

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 £5.671 million contributed by the Council and held by the BRP is recognised by the Council as a debtor and is held in an earmarked reserve to smooth the impact of City Region Deal transactions and match the release of revenue support and charges for projects. The BRP has not made a payment to Bristol City Council on behalf of the EDF in 2024/25 (2023/24: nil)

The Council itself has recognised revenue income of £12.808 million (2023/24 £12.536m) from the BRP and expenditure of £13.273 million (2023/24 £13.453m) to the BRP for the year.

## Group Accounts

### Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (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 2025

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

Restated 2023/24			2024/25		
Gross Exp £'000	Gross Income £'000	Net Exp £'000	Gross Exp £'000	Gross Income £'000	Net Exp £'000
344,865	(153,351)	191,514	362,262	(159,519)	202,743
199,930	(75,505)	124,425	217,906	(71,597)	146,309
196,487	(137,683)	58,804	198,032	(137,386)	60,646
301,154	(163,167)	137,987	279,684	(153,778)	125,906
139,113	(136,771)	2,342	144,848	(148,323)	(3,475)
245,236	(248,398)	(3,162)	281,927	(252,407)	29,520
7,070	(227)	6,843	16,420	(93)	16,327
<b>1,433,855</b>	<b>(915,102)</b>	<b>518,753</b>	<b>1,501,079</b>	<b>(923,103)</b>	<b>577,976</b>
		12,411			15,403
		(7,121)			644
		(558,990)			(628,050)
		<b>(34,947)</b>			<b>(34,027)</b>
		45,990			(124,622)
		(100,244)			(133,231)
		-			-
		<b>(54,254)</b>			<b>(257,853)</b>
		<b>(89,201)</b>			<b>(291,880)</b>

## Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the group, analysed into usable reserves and other reserves.

	Notes	General Fund Balance	Earmarked Reserves	School Reserves	Sub Total - General Fund	Housing Revenue Account	Housing Revenue Account	Sub Total - Housing Revenue Account	Capital Receipts	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Council Share of Subsidiaries	Total Group Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjusted Balance at 1 April 2023 Restated</b>		29,527	130,541	(759)	159,309	98,795	655	99,450	104,967	10,001	7,131	380,855	2,298,164	2,679,022	276	2,679,298
Movement in Reserves during 2023/24																
Surplus or (deficit) on the provision of services		92,697	-	-	92,697	1,922	-	1,922	-	-	-	94,619	-	94,619	(59,671)	34,948
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	-
<b>Total Comprehensive Expenditure and Income</b>		<b>33,955</b>	<b>-</b>	<b>-</b>	<b>33,955</b>	<b>1,922</b>	<b>-</b>	<b>1,922</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,877</b>	<b>53,805</b>	<b>89,683</b>	<b>(481)</b>	<b>89,202</b>
Adjustments between accounting basis and funding basis under regulations	17	(2,624)	-	-	(2,624)	(29,419)	-	(29,419)	(41,066)	348	7,440	(65,318)	65,318	-		-
Net Increase/(Decrease) before Transfers to Earmarked Reserves		31,332	-	-	31,332	(27,497)	-	(27,497)	(41,066)	348	7,440	(29,440)	119,123	89,683	(481)	89,202
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)	31,157	(27,497)	176	(27,321)	(41,066)	348	7,440	(29,440)	119,123	89,683	(481)	89,202
<b>Balance at 31 March 2024 Carried Forward Restated</b>		<b>24,571</b>	<b>168,424</b>	<b>(2,529)</b>	<b>190,466</b>	<b>71,298</b>	<b>831</b>	<b>72,129</b>	<b>63,901</b>	<b>10,349</b>	<b>14,571</b>	<b>351,415</b>	<b>2,417,288</b>	<b>2,768,704</b>	<b>(205)</b>	<b>2,768,499</b>
<b>Adjustment to Opening Balance: IFRS 16 Lease Transition</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,584</b>	<b>10,584</b>	<b>-</b>	<b>10,584</b>
Movement in Reserves during 2024/25																
Surplus or (deficit) on the provision of services		44,340	-	-	44,340	45,565	-	45,565	-	-	-	89,904	-	89,904	(55,876)	34,027
Other Comprehensive Expenditure and Income					-			-				-	256,556	256,556	1,298	257,853
Adjustments between group accounts and authority accounts		(55,590)			(55,590)			-				(55,590)	-	(55,590)	55,590	-
<b>Total Comprehensive Expenditure and Income</b>		<b>(11,252)</b>	<b>-</b>	<b>-</b>	<b>(11,252)</b>	<b>45,565</b>	<b>-</b>	<b>45,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,313</b>	<b>256,556</b>	<b>290,870</b>	<b>1,012</b>	<b>291,880</b>

Adjustments between accounting basis and funding basis under regulations	17	4,937	-	-	4,937	(69,607)	-	(69,607)	(26,178)	(349)	1,443	(89,754)	89,754	-		-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>		(6,315)	-	-	(6,315)	(24,042)	-	(24,042)	(26,178)	(349)	1,443	(55,441)	361,092	290,870	1,012	291,880
Transfers to/(from) Earmarked Reserves	18	19,545	(14,378)	(2,070)	3,097	(2,992)	(97)	(3,089)	(9)	-	-	(1)	1	-		-
<b>Increase/(Decrease) in 2024/25</b>		13,230	(14,378)	(2,070)	(3,218)	(27,034)	(97)	(27,131)	(26,187)	(349)	1,443	(55,442)	361,093	290,870	1,012	291,880
<b>Balance at 31 March 2025 Carried Forward</b>		37,800	154,046	(4,599)	187,248	44,264	734	44,997	37,713	10,000	16,014	295,973	2,774,183	3,070,158	808	3,070,967

## Group Consolidated Balance Sheet as at 31 March 2025

Restated 31-Mar-24		Note	31-Mar-25
<u>£'000</u>			<u>£'000</u>
3,062,371	Property, Plant & Equipment		3,271,390
-	Right of Use Assets		43,118
216,256	Heritage Assets		219,256
8,192	Intangible Assets		6,061
315,591	Investment Property		339,602
49,785	Long Term Investments	G11	48,578
34,656	Long Term Debtors	G4	50,052
<b>3,686,582</b>	<b>Long Term Assets</b>		<b>3,978,058</b>
-	Short Term Investments	G11	-
4,064	Inventories		4,733
246,378	Short Term Debtors	G4	233,353
75,727	Cash and Cash Equivalents		60,473
1,232	Assets held for sale		509
<b>327,401</b>	<b>Current assets</b>		<b>299,068</b>
(9,939)	Cash and Cash Equivalents		(12,051)
(30,096)	Short Term Borrowing	G11	(75,494)
(252,079)	Short Term Creditors	G5	(209,796)
(12,249)	Provisions		(12,954)
(10,684)	Revenue grants received in advance		(12,316)
(71,900)	Capital grants received in advance		(80,043)
<b>(386,947)</b>	<b>Current liabilities</b>		<b>(402,654)</b>
(470,487)	Long Term Borrowing	G11	(530,487)
(13,321)	Provisions		(13,015)
(353,222)	Other Long Term Liabilities		(236,517)
(21,774)	Capital Grants Receipts in Advance		(23,483)
<b>(858,804)</b>	<b>Long term liabilities</b>		<b>(803,502)</b>
<b>2,768,502</b>	<b>Net assets</b>		<b>3,070,967</b>
(353,664)	Usable Reserves		(299,545)
(2,414,838)	Unusable Reserves	G6	(2,771,422)
<b>(2,768,502)</b>	<b>Total reserves</b>		<b>(3,070,967)</b>

## Group Cash Flow Statement for the year ended 31 March 2025

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.

Restated 2023/24		2024/25
£'000	Note	£'000
34,947		34,027
72,285	G7	77,265
(115,736)	G7	(167,331)
(8,504)		(56,039)
(21,721)	G8	(79,088)
43,621	G9	117,761
13,396		(17,366)
52,391		65,787
<b>65,787</b>		<b>48,422</b>

## Notes to the Group Accounts

### G1 Accounting Policies

Generally, the accounting policies for the group accounts are the same as those applied to the single entity financial statements, except for the following policies which are specific to the group accounts:

#### Basis of Identification of the Group Boundary

Group accounts are prepared by aggregating the transactions and balances of the Council and all its material subsidiaries, associates and joint arrangements. In its preparation of these Group Accounts, the Council has considered its relationship with entities that fall into the following categories:

- Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group.
- Joint Arrangements (Joint Ventures) – where the Council exercises joint control with one or more organisations. Where these are material they are included in the group.
- Associates – where the Council is an investor and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (stopping short of control or joint control.) It is presumed that holding 20% of the voting power of an investee (either directly or indirectly) brings significant influence but this presumption can be rebutted.
- No group relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

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

Bristol Holding Ltd	Direct Subsidiary	Consolidated
Bristol Waste Company Ltd	Indirect Subsidiary	Consolidated
City Leap Energy Partnership Limited	Joint Venture	Not Material
Bristol Energy and Technology Services (Supply) Ltd	Indirect Subsidiary	Not Material – Dormant company
Local Education Partnership	Joint Venture	Not Material
Bristol is Open Limited	Direct Subsidiary	Not Material
Goram Homes Limited	Indirect Subsidiary	Consolidated

The grounds for exclusion from consolidation of certain entities are not material to the true and fair view of the financial statements or to the understanding of the users.

## **Basis of Consolidation – Group Accounts**

The Group Accounts have been prepared using the group accounts requirements of the Code. Companies or other reporting entities that are under the ultimate control of the Council have been included in the Council's group accounts to the extent that they are material to users of the financial statements in relation to their ability to see the complete economic activities of the Council and its exposure to risk through interests in other entities and participation in their activities.

Subsidiaries have been consolidated on a line by line basis, subject to the elimination of intra-group transactions from the statements, in accordance with the Code. Accounting policies have been aligned where applicable.

### **Bristol Holding Limited**

Bristol Holding is a wholly owned subsidiary of the City Council, incorporated on 12 March 2015. The principal activity of the company is that of a holding company and the activities of the group are the provision of waste services, housing development and a gas and electric supply business in the UK with particular focus on residential customers.

On the 13 July 2015 the company acquired Bristol Energy and Technology Services (Supply) Limited for £100,000 and on 31 March 2016, the company acquired Bristol Waste Limited from Bristol City Council.

As at the 31 March 2025 the Council has invested £37.153 million in Bristol Holding Limited. This was made up of £36.550 million ordinary shares and £0.603 million cumulative redeemable preference shares.

### **Bristol Waste Company Limited**

Bristol Waste Company Limited is a wholly owned subsidiary of Bristol Holding Limited. The company was incorporated on 5 March 2015. From the 8 August 2015 the company has been providing waste collection, street cleaning and other maintenance services in Bristol.

### **Bristol Energy and Technology Services (Supply) Limited (formally Bristol Energy Limited)**

Bristol Energy and Technology Services (Supply) Limited is a wholly owned subsidiary of Bristol Holding Limited incorporated on 14 March 2016. The company is currently dormant. On 14 February 2018 a resolution was passed to authorise the Company to change its name to Bristol Energy and Technology Services (Supply) Limited.

### **Goram Homes Limited**

Goram Homes is a wholly owned subsidiary of Bristol Holding Limited incorporated on 1 October 2018. The company aims to increase the provision of new homes in the city and to meet housing requirements without compromising on build quality particularly around the provision of affordable housing, space standards and sustainability.

In September 2021, the Council approved Goram Homes joint venture plans for 268 new homes at Romney House, Lockleaze. The site was transferred during 2021/22 to Goram Homes joint venture in return for £12.9 million of repayable loan notes, with a final repayment date being 2026.

During 2024/25, the Council transferred the freehold of land at Dovercourt Road and New Fosseyway Road to Goram Homes in return for £2.934 million and £2.191 million of repayable loan notes, with a final repayment date being 2029.

The loan agreements include interest charges on the principal sums and £20.7 million is currently outstanding (principal plus interest) from Goram Homes.

## **Events after the Balance Sheet Date**

The Statement of Accounts was authorised for issue by the Director of Finance on 17 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 17 June 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events after the Balance Sheet date.

## **Group financial position**

The Group's overall net assets position as at 31 March 2025 is £3,087.5m, as shown in the Consolidated Balance Sheet (page 157).

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 £5.9 million and gross expenditure of £8.7 million associated outside of the group boundary.

## **Revenue from Contracts with Customers**

Further to a review of this area, the Group can confirm that there is no material contractual revenue income from customers to disclose. There is therefore nothing to disclose in relation to the introduction of IFRS 15-Revenues from Contracts with Customers.

### G3 Financing and Investment Income and Expenditure

	31 March 2025	31 March 2024
	£'000	£'000
Interest payable and similar charges	42,543	39,824
Changes in the Fair Values of Financial Instruments	117	(10,574)
BHNL Disposal adjustment	-	-
Pensions net interest cost	10,210	13,859
Interest receivable and similar income	(16,320)	(13,141)
Income and expenditure in relation to Investment Properties	(11,349)	(10,654)
Changes in fair value of Investment Properties	(24,556)	(26,434)
<b>Total</b>	<b>644</b>	<b>(7,121)</b>

### G4 Debtors

	31 March 2025	31 March 2024
	£'000	£'000
<b>Current debtors</b>		
Trade Receivables	30,881	35,917
Prepayments	12,719	13,417
VAT	15,660	14,966
Other	174,093	182,078
<b>Total</b>	<b>233,353</b>	<b>246,378</b>

	31 March 2025	31 March 2023
	£'000	£'000
<b>Long-term debtors</b>		
Mortgages	190	190
Capital loans	16,671	696
Deferred Taxation	937	-
South Gloucestershire Council	245	327
Former county Council debt	32,009	33,443
<b>Total</b>	<b>50,052</b>	<b>34,656</b>

### G5 Creditors

	31 March 2025	31 March 2024
	£'000	£'000
<b>Current liabilities</b>		
Trade Payables	40,100	47,124
Other Payables	151,068	189,594
Receipts In Advance	18,628	15,361
<b>Total</b>	<b>209,796</b>	<b>252,079</b>

## G6 Unusable Reserves

	2024/25 £'000	Restated 2023/24 £'000
Revaluation Reserve	(1,189,656)	(1,107,261)
Capital Adjustment Account	(1,752,341)	(1,588,607)
Financial Instruments Adjustment Account	6,188	6,365
Deferred Capital Receipt Reserve	(14,578)	(10,026)
Pensions Reserve	107,532	244,090
Collection Fund Adjustment Account	5,871	(8,340)
Accumulated Absences Account	9,670	9,259
Dedicated Schools Grant Adjustment Account	55,892	39,682
	<b>(2,771,422)</b>	<b>(2,414,838)</b>

## G7 Cash Flow Statement

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

	2024/25 £'000	2023/24 £'000
Interest received	11,955	10,017
Interest paid	(42,442)	(39,894)
Dividends received	3,438	2,853

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

	2024/25 £'000	Restated 2023/24 £'000
Depreciation, impairment and downward revaluations	99,703	139,217
Amortisation	4,023	4,666
Increase/(decrease) in impairment for bad debt	566	1,383
(Decrease)/increase in creditors	(35,687)	9,177
(Increase)/decrease in debtors	(5,633)	(53,336)
(Increase)/decrease in inventories	(669)	(300)
Movement in pension liability	16	1,274
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	32,540	8,869
Other non-cash items charged to the net surplus or deficit On the provision of services	(17,594)	(38,665)
<b>Net cash flows from non-cash movements</b>	<b>77,265</b>	<b>72,285</b>

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

	2024/25 £'000	2023/24 £'000
Any other items for which the cash effects are investing or financing cash flows	(132,930)	(101,156)
Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	(34,401)	(14,580)
	<b>(167,331)</b>	<b>(115,736)</b>

## G8 Cash Flow Statement - Investing Activities

	2024/25	2023/24
	£'000	£'000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(250,885)	(189,880)
Purchase of short-term and long-term investments	(10,000)	(22,000)
Other (payments)/receipts for investing activities	(272)	(897)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	29,848	14,580
Proceeds from short-term and long-term investments	10,000	62,216
Other receipts from investing activities	142,221	114,259
<b>Net cash flows from investing activities</b>	<b>(79,088)</b>	<b>(21,721)</b>

## G9 Cash flow Statement - Financing Activities

	2024/25	2023/24
	£'000	£'000
Cash receipts of short- and long-term borrowing	362,002	50,005
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(9,588)	(9,699)
Repayments of short and long-term borrowing	(236,116)	(1,900)
Council tax and NNDR adjustments	1,463	5,216
<b>Net cash flows from financing activities</b>	<b>117,761</b>	<b>43,621</b>

## 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.

2024/25				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
<b>Bristol Waste Company</b>							
Interim Managing Director	Apr' 24 – Oct' 24			146,813	-	-	146,813
Managing Director	Oct' 24 – Mar' 25			77,120	-	-	77,120
Finance Director	Jul' 24 – Nov' 24			38,961	-	-	38,961
<b>Goram Homes</b>							
Managing Director	Apr' 24 – Mar' 25	S Baker		157,379	-	14,079	171,458
Finance Director	Apr' 24 – Mar' 25			94,867	-	9,437	104,304
<b>Bristol Holding Company</b>							
Executive Lead & Interim Group Finance Director	Apr' 24 – Mar' 25		1	149,863	-	-	149,863

Note 1 (Interim) – The amounts disclosed in the table in respect of these posts are the costs incurred by the Company to secure the individuals services on this basis and not the amounts the individuals actually received (which will have been lower).

Note 2 - The table above is presented in a format as prescribed in Schedule 1 of the Accounts and Audit Regulations 2015. This presentation differs from that of the disclosure in the Companies audited accounts as these are prepared in accordance with FRS 102.

2023/24				Salary, Fees and Allowances	Compensation for Loss of Office	Pension Contribution	Total
Post Title	Post Term	Post Holder	Notes	£	£	£	£
<b>Bristol Waste Company</b>							
Interim Managing Director	May' 23 – Mar' 24	D Knight		224,203	-	-	<b>224,203</b>
Finance and Strategy Director	Apr' 23 – Nov' 23			84,250	70,608	-	<b>154,858</b>
<b>Goram Homes</b>							
Managing Director	Apr' 23 – Mar' 24	S Baker		156,212	-	13,280	<b>169,492</b>
Finance Director	Apr' 23 – Mar' 24			69,999	-	6,600	<b>76,599</b>
<b>Bristol Holding Company</b>							
Executive Lead & Interim Group Finance Director	Apr' 23 – Mar' 24		1	149,150	-	-	<b>149,150</b>

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 2025	31 March 2024	31 March 2025	31 March 2024
	£'000	£'000	£'000	£'000
<b>Financial Liabilities at Amortised cost</b>				
<b>Borrowing</b>	(530,488)	(470,488)	(75,494)	(30,096)
<b>Service Concessions</b>	(93,859)	(93,519)	(7,409)	(7,203)
<b>Creditors</b>	(5,855)	(473)	(139,724)	(206,020)
<b>Cash &amp; Cash Equivalents</b>	-	-	(12,051)	(9,939)
<b>Total Financial Liabilities</b>	<b>(630,202)</b>	<b>(564,480)</b>	<b>(234,678)</b>	<b>(253,258)</b>
<b>Financial Assets at amortised cost</b>				
<b>Investments</b>	-	-	219	258
<b>Debtors</b>	17,944	1,144	150,051	145,800
<b>Financial Assets at Fair Value through Other Comprehensive Income</b>				
<b>Investments FV</b>	350	350	-	-
<b>Debtors</b>				
<b>Financial Assets at Fair value through profit and loss</b>				
<b>Investments</b>	47,460	47,840	60,254	75,469
<b>Total Financial Assets</b>	<b>65,754</b>	<b>49,334</b>	<b>210,524</b>	<b>221,527</b>

### Movements

The increase in financial liabilities, circa £69 million relates to (£105m) a net increase of Loans to support funding of the capital programme and changes in working capital and (£2m) in our overdraft on our main suite of bank accounts, offset by a decrease in the value of general creditors (£26m) and the repayment of PFI Liabilities (£2m).

The financial assets decreased by circa £13m primarily through a combination of decreases in working capital by the use of cash to support the payment of creditors and utilisation of reserves resulting in a reduction of resources to invest.

**Borrowing**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Current borrowing		
Deposit loans (repayable at notice - up to 7 days)	18	98
Cash & Cash Equivalents -Bank Overdraft	12,051	9,939
- Public Works Loan Board	74,288	28,568
- Banks and other monetary sector	909	1,151
- Energy Improvement Loans	259	259
- Local Bonds and Stocks	21	21
<b>Total</b>	<b>87,546</b>	<b>40,035</b>

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Non-current borrowing		
Public Works Loan Board	445,439	350,439
Lender Option Borrower Option (Lobo)	35,000	70,000
Market Debt	50,000	50,000
Stocks	49	49
<b>Total</b>	<b>530,488</b>	<b>470,488</b>

## 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 2024/25					
	Financial Liabilities	Amortised Cost	Financial Assets		Total
	Measured at Amortised Cost		Fair Value through the CI	Fair Value through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(45,174)	-	-	-	(45,174)
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>(45,174)</b>	-	-	-	<b>(45,174)</b>
Interest Income	-	6,806	-	4,832	11,638
Fair Value Movement	-	-	-	(426)	(426)
Dividend Income	-	-	-	3,438	3,438
<b>Total income in Surplus or Deficit on the Provision of Services</b>	<b>(45,174)</b>	<b>6,806</b>	-	<b>7,844</b>	<b>(30,524)</b>
<b>Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure</b>	-	-	-	-	-
<b>Net gain/(loss) for the year</b>	<b>(45,174)</b>	<b>6,806</b>	-	<b>7,844</b>	<b>(30,524)</b>

Financial Instruments Gains and Losses 2023/24					
	Financial Liabilities	Amortised Cost	Financial Assets		Total
	Measured at Amortised Cost		Fair Value through the CI	Fair Value through the P&L	
	£'000	£'000	£'000	£'000	£'000
Interest expense & Impairment Losses	(38,712)	-	-	-	(38,712)
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>(38,712)</b>	-	-	-	<b>(38,712)</b>
Interest Income	-	4,455	-	3,970	8,425
Fair Value Movement	-	-	-	10,574	10,574
Dividend Income	-	-	-	2,853	2,853
<b>Total income in Surplus or Deficit on the Provision of Services</b>	<b>(38,712)</b>	<b>4,455</b>	-	<b>17,397</b>	<b>(16,860)</b>
<b>Deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure</b>	-	-	-	-	-
<b>Net gain/(loss) for the year</b>	<b>(38,712)</b>	<b>4,455</b>	-	<b>17,397</b>	<b>(16,860)</b>

## 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 2025 using:			Fair value measurements at 31 March 2024 using:		
	Quoted prices in active markets	Observable inputs	Unobservable inputs	Quoted prices in active markets	Observable inputs	Unobservable inputs
	Level 1 £000	Level 2 £000	Level 3 £000	Level 1 £000	Level 2 £000	Level 3 £000
<b>Recurring fair value measurements</b>						
<b>Fair Value through Profit and Loss</b>						
Money Market Funds	55,219	-	-	68,096	-	-
Bristol Port Company (Non- traded Unquoted Equity Investment)	-	-	34,000	-	-	35,000
Other Unquoted private companies	-	-	-	-	-	90
Pooled property fund	-	-	13,460	-	-	12,750
<b>Fair Value through Other Comprehensive Income</b>						
Other unquoted private companies	-	-	350	-	-	350
<b>Total Non-traded securities:</b>	<b>55,219</b>	<b>-</b>	<b>47,810</b>	<b>68,096</b>	<b>-</b>	<b>48,190</b>
<b>Investment properties</b>	<b>-</b>	<b>339,602</b>	<b>-</b>	<b>-</b>	<b>315,591</b>	<b>-</b>
<b>Surplus properties</b>	<b>-</b>	<b>13,067</b>	<b>-</b>	<b>-</b>	<b>27,507</b>	<b>-</b>
<b>Total recurring fair value measurements</b>	<b>55,219</b>	<b>352,669</b>	<b>54,060</b>	<b>68,096</b>	<b>343,098</b>	<b>48,190</b>
<b>Non-recurring fair value measurements</b>						
Assets held for sale	-	509	-	-	1,232	-
<b>Total non-recurring fair value measurements</b>	<b>-</b>	<b>509</b>	<b>-</b>	<b>-</b>	<b>1,232</b>	<b>-</b>

<b>Valuation techniques and Inputs</b>				
<b>Description of asset</b>	<b>Valuation hierarchy</b>	<b>Basis of Valuation</b>	<b>Observable and Unobservable inputs</b>	<b>Key sensitivities affecting the valuations provided</b>
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, 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 on 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 (£350k) 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 £118k higher or lower respectively.

### Transfers between levels of the fair value hierarchy

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

### Changes in valuation technique

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

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

Description	31 March	31 March
	2025	2024
	Non-traded securities	Non-traded securities
	£000	£000
Opening balance	48,190	38,006
included in the surplus/(deficit) on the Provision of Services	(117)	10,184
included in Other Comprehensive Income and Expenditure	(90)	-
<b>Total gains/(losses) for the period:</b>	<b>(207)</b>	<b>10,184</b>
Additions	145	-
Disposals	(319)	-
<b>Closing balance</b>	<b>47,810</b>	<b>48,190</b>

## 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 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Cash & Cash Equivalents	12,051	12,051	9,939	9,939
Public Works Loan Board (PWLB)	519,726	466,500	379,007	351,300
Lender Option Borrower Option	35,439	27,000	70,678	58,700
Market Debt	50,470	38,200	50,474	42,500
Service Concessions	101,268	118,663	100,721	123,224
Other	6,202	6,202	524	524
<b>Total Liabilities</b>	<b>725,156</b>	<b>668,616</b>	<b>611,343</b>	<b>586,187</b>

The Authority has calculated an exit price of £855,000 which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

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

The fair value of the liabilities is lower than the carrying amount because of service concessions; others are lower because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

Financial Assets	31 March 2025		31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Current investments	-	-	-	-
Cash and Cash Equivalents	219	219	258	258

Non-current investments	-	-	-	-
Non-current debtors	17,944	17,944	1,144	1,144
<b>Total Financial Assets</b>	<b>18,163</b>	<b>18,163</b>	<b>1,402</b>	<b>1,402</b>

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 2025 using:			Fair value measurements at 31 March 2024 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
<b>Recurring fair value measurements using: Financial Liabilities held at Amortised Cost</b>						
Cash & Cash Equivalent	-	12,051	-	-	9,939	-
Public Works Loan Board (PWLB)	-	519,726	-	-	379,007	-
Lender Option Borrower Options	-	35,439	-	-	70,678	-
Market debt	-	50,470	-	-	50,474	-
Service Concessions	-	101,268	-	-	100,721	-
Other	-	6,202	-	-	524	-
<b>Total</b>	-	<b>725,156</b>	-	-	<b>611,343</b>	-
<b>Financial Assets held at amortised cost</b>						
Current Investments	-	-	-	-	-	-
Cash and Cash Equivalents	-	219	-	-	258	-
Non-current Investments	-	-	-	-	-	-
Non-current Debtors	-	17,944	-	-	1,144	-
<b>Total</b>	-	<b>18,163</b>	-	-	<b>1,402</b>	-

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 20 February 2024 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 2025 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-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-24
<b>Current Investments:</b>					
Local Authorities	117	0.00%	0.00%	-	-
AA rated counterparties	84	0.02%	0.02%	-	-
A rated counterparties	18	0.05%	0.05%	-	-
Sub-total	<u>219</u>			<u>-</u>	<u>-</u>
Trade debtors	139,525			-	-
Non-current debtors	<u>25,644</u>			<u>-</u>	<u>-</u>
<b>Total Financial assets</b>	<u>165,388</u>			<u>-</u>	<u>-</u>

The estimated maximum exposure for credit loss for Treasury investments is not material due to the low amount of investments at 31 March 2025.

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-25	31-Mar-25	31-Mar-25	31-Mar-24
	£'000	£'000	£'000	£'000
Local taxpayers	56,691	(35,725)	20,966	57,194
Housing rents	16,687	(12,186)	4,501	15,191
Other - sundry debtors	222,763	(39,995)	182,768	215,669
<b>Total Other Entities and Individuals</b>	<b>296,141</b>	<b>(87,906)</b>	<b>208,235</b>	<b>288,054</b>
Central Government bodies	26,339	-	26,339	23,334
Other local authorities	1,335	-	1,335	1,391
NHS bodies	228	-	228	1,592
<b>Total debtors</b>	<b>324,043</b>	<b>(87,906)</b>	<b>236,137</b>	<b>314,371</b>
<b>Balance sheet debtors</b>	<b>324,043</b>	<b>(87,906)</b>	<b>236,137</b>	<b>314,371</b>
Current debtors not qualifying as a financial instrument under IFRS	(121,811)	35,725	(86,086)	(123,088)
<b>Current debtors qualifying as a financial instrument under IFRS</b>	<b>202,232</b>	<b>(52,181)</b>	<b>150,051</b>	<b>191,283</b>

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	31 March
	2025	2024
	£'000	£'000
Less than three months	33,311	38,246
Three to four months	1,273	3,613
Four months to one year	16,555	18,302
More than one year	54,703	53,483
<b>Total</b>	<b>105,842</b>	<b>113,644</b>

## 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:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Less than 1 year	210,524	212,231
Between 1 and 2 years	617	1,712
Between 2 and 3 years	194	1,738
More than 3 years	64,943	72,079
<b>Total</b>	<b>276,278</b>	<b>287,760</b>

The maturity analysis of financial liabilities is as follows:

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Less than 1 year	235,086	251,803
1 - 2 years	172,019	69,093
2 - 5 years	66,920	66,631
5 - 10 years	44,367	42,941
10+ years	346,488	391,488
<b>Total</b>	<b>864,880</b>	<b>795,968</b>

## 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 2025 £'000	%	Actual 31 March 2024 £'000	%
Less than 1 year	-		40		75,494	12%	30,096	6%
Between 1 and 2 years	-		40		152,000	25%	45,000	9%
Between 2 and 5 years	-		40		22,000	4%	34,000	7%
Between 5 and 10 years	-		50		10,000	2%	-	-
More Than 10 Years	25		100		346,488	57%	391,488	78%
<b>Total</b>					<b>605,983</b>	<b>100%</b>	<b>500,584</b>	<b>100%</b>

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

### Market risk

The Group is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Group. For instance, a rise in variable and fixed interest rates would have the following effects:

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

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

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

At 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	<b>31-Mar 2025</b>
	£'000
Increase in interest receivable on variable rate investments	989
Impact on Surplus or Deficit on the Provision of Services	989
Share of overall impact debited to the HRA	573
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)	96,300

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

### **Foreign exchange risk**

During 2024/25 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.