

Suffolk County Council

Statement of Accounts

2024 - 2025



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Suffolk County Council

Statement of Accounts

for the year ended **31 March 2025**

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Auditors Report

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Financial Officer;
- manage its affairs to secure economic, efficient, and effective use of resources and to safeguard its assets; and
- approve the statement of accounts

Certification

These accounts will be approved by the Audit Committee at its meeting on 27 November 2025 on behalf of Suffolk County Council and will then be authorised for issue.

The responsibilities of the Chief Financial Officer (Section 151 Officer)

The Chief Financial Officer is responsible for the preparation of the Council's Statements of Accounts including those of the Pension Fund. In order to comply with the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), these statements must present a true and fair view of our financial position and that of the Pension Fund at 31 March 2025, and the income and expenditure (spending) for the year to that date.

In preparing this Statement of Accounts, the Chief Financial Officer has:

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

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps to prevent and detect fraud and other irregularities.

Certification

I certify that this statement of accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the Council at 31 March 2025 and its income and expenditure for the year to that date.



Louise Aynsley
Chief Financial Officer (Section 151 Officer)
27 June 2025

Narrative Report

1.0 An Introduction to Suffolk

- 1.0.1 This narrative report provides an overview of the Council's corporate strategy, the services delivered, the financial and non-financial performance in-year and the financial outlook for the Council.
- 1.0.2 Suffolk is a rural county in the East of England with a population of approximately 776,000, a higher proportion of which are over 50 than the national average. The natural environment is a key asset for Suffolk and the countryside and coastline are a major tourist attraction and a significant reason people want to live and work in the county. Rich in cultural heritage and landscape beauty, the county has one of the warmest and driest climates in the country. Life expectancy is higher than the national average, and levels of deprivation are generally low but there are small but significant pockets of deprivation in its major towns and some rural areas. Employment levels are above the national average with 78.0% of the working age population being employed in Suffolk compared to 75.7% nationally.
- 1.0.3 Further information on Suffolk's economic and social statistics can be found by accessing the [Suffolk Observatory](#) website.

1.1 Corporate Strategy

- 1.1.1 In September 2021, the Council adopted a [Corporate Strategy](#) for the period 2022 to 2026. The document provides a framework for future decision-making, financial and business planning for the organisation. The Strategy was developed following the County Council elections in May 2021, with its associated objectives based on political priorities as well as the factors impacting on the current public services landscape at a national and local level, in particular supporting the previous Government's "Build Back Better" agenda to level-up the UK, enable the transition to net zero, and support the vision for a Global Britain.
- 1.1.2 The four corporate objectives for 2022 – 2026 are:
 - a. To promote and support the health and wellbeing of all people in Suffolk;
 - b. To strengthen Suffolk's local economy;
 - c. To protect and enhance Suffolk's environment;
 - d. To provide value for money for the Suffolk taxpayer;
- 1.1.3 The Council identified 28 key performance measures to assess success in delivering its objectives during 2024 - 2025 which were reported on a quarterly basis. These performance measures are detailed within the Council's 2024 - 2025 Annual Plan, with the details of performance available on the [Corporate Performance and Risk Management](#) pages of the Council's website. Further details on specific indicators can be found in Section 2 of this report.

1.2 Devolution and Local Government Reorganisation

- 1.2.1 On 16 December 2024, the Government published its English Devolution White Paper. Its proposals would lead to the end of Suffolk's over 50-year-old two-tier council structure, with the Government looking to abolish county, borough and district councils and replace them with a new unitary council arrangement and a directly elected mayor.
- 1.2.2 Under the proposals, all six of Suffolk's district, borough and county councils would be disbanded with one or more unitary authorities providing all council services within one or more geographical areas. The Government argues that unitary councils can deliver better outcomes for residents and save money that can be reinvested into public services.
- 1.2.3 Further to this, on 5 February 2025, the Rt. Hon. Angela Rayner MP, the Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government, announced that Suffolk would be one of only a handful of areas on the government's new fast-track Devolution Priority Programme (DPP) which would also see the election of a mayor (covering Suffolk and Norfolk) in May 2026. The mayor would take control over strategic policy areas like transport infrastructure, economic development,

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health improvement and blue-light services, along with devolved government funding to deliver positive change. This announcement included the decision to postpone for one year the County Council elections due to be conducted on 1 May 2025.

- 1.2.4 Following extensive engagement with residents, town and parish councils, businesses and local organisations, the Council will be submitting a full business case to Government in September 2025 outlining its preferred options for local government reorganisation in Suffolk. Government is then expected to decide on the number and boundaries of unitary authorities within Suffolk in the months subsequent to the Council's submission.

1.3 2023 - 2024 Statement of Accounts and Audit

- 1.3.1 The draft unaudited Statement of Accounts for 2023 - 2024 were signed off by the Chief Financial Officer (S151 Officer) and published on the Suffolk County Council website on 8 July 2024. The delay beyond the statutory deadline of 31 May 2024 was due to the heightened political sensitivity during the general election period, held on 4 July 2024.
- 1.3.2 As with the 2022 - 2023 Statement of Accounts, 2023 - 2024 was impacted by the national audit backlog. However, unlike the previous year, the Council's auditors Ernst & Young LLP (EY) completed their planned audit programme and obtained their planned assurances over closing balances and in-year transactions. Unfortunately, due to 2022 - 2023 not having a full audit as part of EY's local audit recovery strategy, and with the Council receiving a disclaimed opinion in 2022 - 2023 as a consequence, EY were unable to rebuild assurances on closing balances brought forward from 2022 - 2023. As a result, following approval of the 2023 - 2024 Statement of Accounts by Audit Committee on 30 January 2025, EY issued a disclaimed opinion on the 2023 - 2024 Statement of Accounts on 21 February 2025, ahead of the 28 February 2025 deadline detailed in The Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024".
- 1.3.3 The Auditors' Annual Report for 2023 - 2024 was presented to Audit Committee by EY on 18 June 2025. This report brought together all of EY's work relating to its 2023 - 2024 audit, including both a commentary on its assessment of the Council's arrangements for delivering value for money, and confirmation of the opinion given on the financial statements. Overall, the report was clear that the 2023 - 2024 audit process was successful, with no significant concerns or issues raised by EY. In particular, there were no matters to report by exception on the Council's value for money arrangements, with no significant weaknesses identified.

2.0 Service Provision

- 2.1 Although there have been no changes to Directorate structure over this period, the Adult and Community Services Directorate was renamed the Adult Social Care Directorate on 1 January 2025. In addition, there have been various changes to senior personnel, details of which are outlined below:
- a. An appointment was made to the Executive Director of Children and Young People's Services position, with the postholder joining the Council on 6 July 2024;
 - b. The Director of Adult & Community Services left the Council's employment on 29 August 2024. The position was filled on an interim basis until a permanent appointment was made to the Executive Director of Adult Social Care position, with the postholder joining the Council on 6 January 2025.

The Council is organised into the following Directorates:

- 2.2 The **Adult Social Care** Directorate is responsible for delivering the Council's responsibilities under the Care Act 2014. This includes providing high-quality information and advice about care and support to adults with social care needs; promoting independence by offering short-term reablement and support such as assistive technology or equipment; and providing or commissioning ongoing social care and

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support for those adults who need it, either at home, in the community, or in supported living or residential care accommodation. Key metrics within the Directorate for 2024 - 2025 include:

- a. 16,000 customers were receiving purchased care (12,500 in 2023 - 2024);
- b. 130,000 residential care bed-weeks (122,000 in 2023 - 2024), and 32,500 nursing care bed-weeks (33,000 in 2023 - 2024), were provided;
- c. 3.9 million hours of external homecare were delivered (3.7 million hours in 2023 - 2024);
- d. 7,700 people were actively supported with digital devices to assist with care provision (4,500 people in 2023 - 2024).

2.3 The **Children and Young People** Directorate deliver a range of statutory duties in relation to the safety and welfare of children and young people. These include Early Help Services, 0-19 Years Healthy Child Service, Education & Learning, Special Educational Needs and Disabilities, Social Care Services, Fostering & Adoption, Disabled Children's Services, and Youth Justice. Key metrics within the Directorate for 2024 - 2025 include:

- a. 92 maintained schools (97 in 2023 - 2024) and 231 academies and free schools (226 in 2023 - 2024) operated within the county;
- b. 911 children were in care (927 in 2023 - 2024), of which 103 (104 in 2023 - 2024) were unaccompanied asylum seekers;
- c. 425 children were subject to a Child Protection Plan (373 in 2023 - 2024);
- d. 10,100 Education, Health & Care plans were in place (8,306 in 2023 - 2024).

2.4 The **Public Health and Communities** Directorate supports the Council to meet its Public Health responsibilities in areas such as community safety, substance misuse and sexual health, as well as being responsible for the budgets for libraries, arts and museums. Key metrics within the Directorate as at the end of 2024 - 2025 include:

- a. 2,017,994 physical books, CDs and DVDs (2,077,641 in 2023 - 2024), and 2,134,059 electronic books, music, films and publications (2,026,176 in 2023 - 2024) were issued through the Suffolk Library Service;
- b. 3,425 residents were supported to lose weight (1,412 in 2023 - 2024);
- c. Since the Homes for Ukraine Scheme opened in March 2022, Suffolk has welcomed 1,600 Ukrainian guests into the county. As of 31 March 2024, 229 guests remain hosted. Those who are no longer hosted have either moved away from Suffolk, left the UK or set up their own homes;
- d. 13,417 applications were approved for Local Welfare Assistance Support (12,404 in 2023 - 2024).

2.5 The **Fire and Public Safety** Directorate consists of the Suffolk Fire and Rescue Service, Trading Standards and the Joint Emergency Planning Unit.

The Fire and Rescue Service vision is to work together to make Suffolk a place where people lead safe and healthy lives. To do this it provides prevention, protection and emergency response services to local communities across the county and supports neighbouring and other fire services in the event of larger incidents. Key metrics within the Service as at the end of 2024 - 2025 include:

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- a. 35 fire stations with four shift stations, two day crew stations and supported by one county day crew. 43 frontline fire engines and 13 specialist vehicles with associated 999 control, training and support functions. This is the same as in 2023 - 2024;
- b. 5,969 incidents were attended in 2024 - 2025, down from 6,056 incidents in 2023 - 2024.
- c. 4,673 home fire safety visits took place in 2024 - 2025, up from 3,762 in 2023 - 2024.
- d. 857 fire safety audits took place in 2024 - 2025, down from 960 in 2023 - 2024.

Trading Standards' vision is for a 'Rogue-Free Suffolk'. The delivery objectives supporting this are: to build resilient communities who say 'no' to scams and rogue traders, to support genuine Suffolk business, to take action against rogue traders, and to carry out market surveillance and use intelligence to target available resources most effectively.

The Emergency Planning and Business Continuity functions enable the Council to work in partnership with other organisations during emergencies to protect the public, to ensure critical services continue and to rebuild communities after any incident. These services are provided through a Joint Emergency Planning partnership with Suffolk's District and Borough Councils.

- 2.6 The **Growth, Highways and Infrastructure Directorate** is responsible for the provision of waste disposal, transport, highways and planning services. It is also responsible for the protection, enhancement and maintenance of the county's natural and historical environment, and taking a lead on the Council's response to the Climate Emergency. In addition, it has a lead role in supporting Suffolk's economy and delivering sustainable infrastructure through key projects such as the Gull Wing Bridge in Lowestoft and the promotion of more housing delivery. As part of this, it supports the delivery of Nationally Significant Infrastructure Projects within Suffolk. This includes Sizewell C nuclear power station, for which funding was approved by Government on 10 June 2025 and for which the Council is a co-signatory to a Deed of Obligation to facilitate the application of developer funding to resource the public service expenditure necessary for the power station's development. Key metrics within the Directorate in 2024 - 2025 include:

- a. Maintenance of 4,270 miles of road, 6,270 miles of pavement, 60,683 street lighting lanterns, 128 junctions, 230 pedestrian crossings, and 142,545 gullies, the same as 2023 - 2024;
- b. 1,718 Structures, one more than 2023-24 with the opening of the Gull Wing Bridge;
- c. 11,534 children transported to and from school, up from 11,349 in 2023 - 2024;
- d. 82,104 passenger journeys supported via Connecting Communities, down from 97,855 in 2023 - 2024;
- e. 136,439 tonnes of waste from households reused, recycled and composted, up from 135,985 in 2023 - 2024;
- f. 1,007,047 customer visits to Recycling Centres in 2024 - 2025, up from 892,205 in 2023 - 2024.

- 2.7 The **Corporate Services Directorate** is responsible for providing support functions to the Council including Assets and Investment, Communications, Finance, Health and Safety, Human Resources, IT, Governance, Legal & Assurance, and Policy, to enable and support the delivery of effective and efficient public services to the people of Suffolk. Corporate Services is also responsible for the front-line delivery of the Coroner's Service, Registration Services and Customer and Online Services.

3.0 Resident Satisfaction

The Council ran "We Are Listening" events across the county during 2024 - 2025, holding events in 13 locations. In addition, the Council held an extensive consultation on its 2025 - 2026 Budget, receiving 1,349 responses.

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4.0 Financial Performance

4.0.1 The Cabinet has received quarterly budget monitoring reports during the year and received a detailed report of the financial outturn position for 2024 - 2025 on 17 June 2025. The following paragraphs summarise the outturn position.

4.1 2024 - 2025 Revenue Budget - Summary

4.1.1 At its meeting on 15 February 2024, the Council set its 2024 - 2025 Revenue Budget. This consisted of a Net Expenditure Budget of £752.784 million (i.e. the expenditure budget after fees, charges, contributions and some specific grants have been deducted) and a corresponding £752.784 million Core Funding Budget comprising local taxation (i.e. Council Tax and Business Rates) which funds 75% of the budget, a range of Government grants which fund 24%, and contributions from corporate reserves which fund the remaining 1%.

4.1.2 Following the approval of the 2024 - 2025 Revenue Budget, the Department of Health & Social Care increased the ringfenced Public Health Grant for 2024 - 2025 to £33.226 million, which was £0.092 million more than the £33.134 million figure within the 2024 - 2025 Revenue Budget. Further to this, an additional £0.025 million was provided prior to the end of the financial year, leading to the final ringfenced Public Health Grant for 2024 - 2025 being £33.251 million. To reflect this change, both the Public Health Grant Budget (within the Core Funding Budget), and the Public Health Directorate Budget (within the Net Expenditure Budget) were increased by £0.117 million. The impact of this budget increase led to the 2024 - 2025 Net Expenditure and Core Funding Budgets both increasing from £752.784 million to £752.901 million.

4.1.3 The Council's final outturn for 2024 - 2025 was a £6.859 million underspend against its Revenue Budget. This comprises and is summarised in **Table 1**:

- a) a £3.711 million underspend against its expenditure resourced by its Core Funding Budget the details of which are covered in the paragraphs below; and
- b) a £3.148 million over-achievement of income against its Core Funding Budget. This relates to Business Rates and is due to additional Section 31 grant from Government, along with a one-off allocation from Government from the central levy surplus. The increase to Section 31 grant is due to the Business Rates funding budget (based on the 2024 Local Government Finance Settlement figures) being lower than the final rates collectable, along with reliefs from Government to businesses for which Local Government is compensated.

Table 1: 2024 - 2025 Revenue Budget Outturn Summary

	2024 - 2025 Budget £million	2024 - 2025 Outturn £million	Variance £million
Net Expenditure	752.901	749.190	-3.711
Core Funding	-752.901	-756.049	-3.149
Total	-	-6.859	-6.859

4.1.5 In addition to the variance against the Net Expenditure Budget resourced from core funding, the Council overspent by £46.985 million against services funded from its Dedicated Schools Grant. This primarily

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relates to pressures within its Inclusion Services relating to Special Educational Needs & Disabilities provision.

4.2 2024 - 2025 Revenue Budget – Explanation of Key Variances

4.2.1 **Table 2** summarises the Net Expenditure Budget variance by Directorate.

Table 2a: 2024 - 2025 Net Expenditure Budget versus Outturn by Directorate

	2024 - 2025 Budget £million	2024 - 2025 Outturn £million	Variance £million
Adult Social Care	353.758	353.678	-0.081
Children & Young People	191.777	189.201	-2.576
Public Health & Communities	41.155	41.123	-0.032
Fire & Public Safety	31.674	31.680	0.006
Growth, Highways & Infrastructure	52.484	49.516	-2.968
Corporate Services	41.466	40.376	-1.089
Central Resources & Capital Financing	40.587	43.616	3.029
Total	752.901	749.190	-3.711

Table 2b: 2024 - 2025 Dedicated Schools Grant Budget versus Outturn

	2024 - 2025 Budget £million	2024 - 2025 Outturn £million	Variance £million
Services funded from Dedicated Schools Grant and Pupil Premium Grant	302.765	349.750	46.985

* Positive variances represent overspends, and negative variances represent underspends.

4.2.2 The following paragraphs summarise the key variances outlined in **Tables 2a** and **2b** above by Directorate.

2024 - 2025 Revenue Budget - Adult Social Care (ASC)

4.2.3 Adult Social Care (ASC) underspent by £0.081 million against its 2024 - 2025 Revenue Budget. This was due to a £2.247 million overspend against the Care Purchasing budget offset by underspend elsewhere, in particular in Area Social Work Teams which underspent by £1.321 million, and Reablement, Equipment & Assistive Technology which underspent by £0.875 million.

4.2.4 The £2.247 million overspend against the Care Purchasing budget was largely a result of a cost pressures within both Learning Disability & Autism (LD&A) and Mental Health care services. A key driver for the overspend was the increase in the number of customers in care, with 174,000 more care hours commissioned in 2024 - 2025 compared to the previous year, along with 4,900 more residential and nursing bed weeks. The overspend would have been greater had it not been for the People First and Independent Lives transformation programmes within ASC, which exceeded their savings targets in 2024 - 2025 by £4.385 million.

4.2.5 The underspends within Area Social Work Teams and Reablement, Equipment & Assistive Technology were a result of continuing staff vacancies, with this being consistent with the national picture of social worker supply falling short of demand.

2024 - 2025 Revenue Budget - Children and Young People's Services (CYP)

- 4.2.6 The Children and Young People's Directorate (CYP) underspent by £2.576 million against its 2024 - 2025 Revenue Budget resourced from Core Funding. It also overspent by £46.985 million on services resourced by Dedicated Schools Grant (DSG).
- 4.2.7 The principal cause of the underspend on services resourced by core funding within CYP is a £1.311 million underspend in Mainstream Home-to-School Travel, a £1.134 million underspend on Special Educational Needs and Disabilities (SEND) Home-to-School Travel, and a £1.181 million underspend in the Early Help, Safeguarding and Multi-Agency Safeguarding Hub (MASH) service. These underspends were partially offset by a £0.911 million overspend within Directorate Teams & Central Support.
- 4.2.8 The underspend in Mainstream Home-to-School Travel was largely due to savings made from route reviews conducted at the beginning of the academic year and improved income collection from the sale of spare seats, whereas the underspend in SEND Home-to-School Travel relates to the increase in demand being lower than expected. The underspend in the Early Help, Safeguarding and MASH service was due to a combination of staffing vacancies, additional grant income and delays in spend pending the Family First Transformation work which will determine how the service will be shaped in the future.
- 4.2.9 The overspend in the Directorate Teams and Central Support is principally in relation to additional costs for securing closed schools (as recommended by the Council's Insurance, and Health and Safety teams), and other costs relating to assets or schemes that cannot be capitalised.
- 4.2.10 The principal cause of the £46.985 million overspend on services resourced by DSG is due to the continuing growth in the number of children with SEND receiving a service that attracts High Needs Funding, with the number of placements increasing by 20%, from 9,321 in 2023 - 2024, to 11,209 in 2024 - 2025. Another important factor is the national funding formula which leads to Suffolk having one of the lowest levels of funding per head for SEND services in the country.

2024 - 2025 Revenue Budget - Public Health & Communities

- 4.2.11 The Public Health and Communities Directorate underspent by £0.032 million against its 2024 - 2025 budget, with this relating to the small variances mainly within the Community Information and Development service.
- 4.2.12 Most of the Directorate's work is funded from the Public Health Grant to promote health improvement and protection within Suffolk. In addition to using the full 2024 - 2025 allocation of £33.251 million in year, it drew down a further £0.469 million from Public Health Grant reserves to fund eligible expenditure.
- 4.2.13 As part of its responsibilities, the Directorate manages the Council's Homes for Ukraine grant, of which £3.021 million was used in 2024 - 2025, with £8.761 million carried forward into 2025 - 2026. It also manages Household Support Funding, of which £10.228 million was received and spent in 2024-25 in areas including free school meals vouchers for eligible families over school holidays and support to Suffolk residents through the Local Welfare Assistance Scheme.

2024 - 2025 Revenue Budget - Fire & Public Safety

- 4.2.14 The Fire and Public Safety Directorate overspent by £0.006 million in 2024 - 2025 with minor variances reported within Suffolk Fire & Rescue Service and Trading Standards.

2024 - 2025 Revenue Budget - Growth, Highways & Infrastructure

- 4.2.15 The Growth, Highways and Infrastructure Directorate underspent by £2.968 million in 2024 - 2025. This was largely due to underspends of £1.233 million within Waste & Environment, and £1.079 million within Highways.
- 4.2.16 The underspend within the Waste and Environment service is largely due to income from the Energy-from-Waste (EfW) facility being £5.039 million more than budgeted. The additional £5.039 million income is considered one-off for 2024-25 as market prices for electricity move away from their 2022-23 peak. In addition, there was a further £0.194 million of net positive variances within the service. The underspend enabled the service to set aside £1.300 million in an earmarked reserve to support an emerging potential underlying cost pressure identified for the service in 2025-26, and a further £2.700 million to be set aside corporately to underwrite the maximum value of risks identified on the Benacre Flood scheme, as per the February 2025 Cabinet report. These factors combined to create the net £1.233 million underspend at year-end.
- 4.2.17 The underspend within Highways is due to a combination of factors. First, there was an underspend on the Gull Wing Bridge maintenance budget due to a slight delay in the procurement of the operational and maintenance contract for the bridge, which has been more complex than originally envisaged. Second, there was a reduction in energy used for its illuminated assets due to changes to LEDs and changes to lighting levels and, third, additional income received within Network Assurance arises from the permitting scheme and the processing of Temporary Traffic Regulation Orders (TTROs) which are issued to utility companies and third parties working on the Highways network.
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2024 - 2025 Revenue Budget - Corporate Services

- 4.2.18 The Corporate Services Directorate underspent by £1.089 million for 2024 - 2025 due to a combination of underspends across the Directorate. The most significant contributions were a £0.922 million underspend within the Customer Experience and Digital service due to savings on third-party contracts, and a £1.327 million underspend within the Governance, Legal and Assurance service due to staffing vacancies and additional income relating to the legal support provided to Temporary Traffic Regulation Orders (TTROs).
- 4.2.19 These underspends were partially offset by a £1.378 million overspend in Property, Assets and Investments due to, first, lower-than-budgeted collection of annual rents and higher maintenance costs at County Farms and, second, property management where there has been contract pressures relating to soft facilities management, and a cumulative overspend that had arisen with the Council's Property Management provider, Vertas.

2024 - 2025 Revenue Budget - Central Costs & Capital Financing

- 4.2.19 The Central Costs & Capital Financing budget overspent by £3.029 million in 2024 -2025. The main reason for this was a £1.906 million under-recovery of income in relation to Suffolk Group Holdings (SGH) as a result of the dividend payable being lower than budgeted. This was caused by controls put in place over Council and other public sector spending, and poor performance in certain services such as Fleet and Environmental.
- 4.2.20 In addition, there was a £0.626 million overspend against the Staff Pay Inflation budget. This was a largely a consequence of the national cost-of-living pay award for staff on Single Status contracts (agreed in November 2024) being equivalent to a 3.8% average increase in pay, a higher figure than the 3.0% on which the budget was set.

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4.3 2024 - 2029 Capital Programme - 2024 - 2025 Budget versus 2024 - 2025 Outturn

- 4.3.1 The Council's 2024 - 2029 Capital Programme contains budgets for each financial year within it, of which performance against the 2024 - 2025 Budget is considered in this section. **Table 3** shows the 2024 - 2025 Budget compared to the 2024 - 2025 outturn.

Table 3: 2024- 2029 Capital Programme: 2024 - 2025 Budget versus 2024 - 2025 Outturn

	2024-2025 Budget (£million)	2024-2025 Outturn (£million)	Variance (£million)
By Directorate:			
Adult Social Care	10.918	10.841	-0.077
Children & Young People	49.425	15.619	-33.806
Growth, Highways & Infrastructure	130.096	74.766	-55.330
Corporate Services	7.352	6.731	-0.620
Fire & Public Safety	5.222	1.952	-3.271
Public Health & Communities	0.824	0.249	-0.574
Total	203.837	110.158	-93.678
Financed by:			
Grants	112.322	59.025	53.297
Other Contributions	23.413	11.659	11.753
Capital Receipts	10.420	3.957	6.463
Revenue Funding	5.309	5.206	0.103
Borrowing	52.373	30.311	22.062
Total	203.837	110.158	93.678

- 4.3.2 At its meeting on 15 February 2024, the Council approved a 2024 - 2029 Capital Programme totalling £524.995 million. As a result of £35.098 million of budgets being carried forward due to underspends in 2023 - 2024 and £27.799 million of further updates and approvals during 2024 - 2025, the 2024 - 2029 Capital Programme Budget increased to £587.891 million by 31 March 2025. Of this figure, £203.837 million relates to the 2024 - 2025 budget element of the 2024 - 2029 Capital Programme. Against this, £110.158 million was spent during 2024 - 2025, leading to a budget variance of £93.678 million. Of this, £100.256 million represents budgets that are to be carried forward into the 2025 - 2026 Capital Programme Budget, whilst £6.578 million represent net budget overspends. The following paragraphs provide further narrative on performance against the 2024 - 2025 Capital Programme Budget.

- 4.3.3 Expenditure on the **Adult Social Care** Capital Programme in 2024 - 2025 included the following key elements:

- £8.688 million was passed to the Districts and Borough Councils from the Disabled Facilities Grant, to provide support to people who require adaptations to their home;
- £2.042 million was spent on community equipment, £0.414 million more than budgeted. Both this and the Disabled Facilities Grant enable individuals to maximise their independence and remain in their home for longer;
- Budgets for Learning Disabilities & Autism Supporting Housing, and IT Systems Development were carried forward into 2025 - 2026.

- 4.3.4 Expenditure on the **Children & Young People** Capital Programme in 2024 - 2025 comprised the following key elements:

- A £15.705 million budget for schemes to provide new school places in areas of new housing, of which £4.876 million was spent in 2024 - 2025, with the remaining £10.829 million carried forward into 2025 - 2026. Expenditure was less than budgeted due to changes in the rate of housing development which generates demand for new school places.

- b. A £16.454 million budget for new facilities to enable the provision of education to children with Special Educational Needs & Disabilities (SEND), of which £3.830 million was spent in 2024 - 2025 with a new SEND unit opening at Sybil Andrews Academy (Bury St Edmunds) in September 2024. The remaining budget of £12.624 million was carried forward into 2024 - 2025 following a re-programming exercise resulting from increased demand and further provision requirements being identified. Further details can be found in the report presented to Cabinet on 1 April 2025.
 - c. A £4.561 million budget on school condition maintenance schemes, of which £3.924 million was spent in 2024 - 2025, with the remaining £0.637 million carried forward into 2025 - 2026;
 - d. A £5.529 million budget on early years and childcare schemes, of which £0.708 million was spent in 2024 - 2025, with the remaining £4.821 million carried forward into 2025 - 2026. Similar to projects within the Increasing School Capacity scheme, many of the projects within the Early Years and Childcare scheme are required as a result of demand for additional Early Years places generated by housing development. Some of these projects have been reprofiled to account for recent changes in forecast housing completion rates. As a result, much of the expected expenditure is projected to occur in future years;
 - e. A £5.349 million budget on children's homes, of which £1.441 million was spent in 2024 - 2025, with the remaining £3.908 million carried forward into 2025 - 2026. Whilst some of the Children's Homes projects have either completed or are nearing completion, other projects have not progressed as originally programmed. The period over which match funding granted by the Department for Education for these projects has been extended, and the projects are expected to progress well in 2025 - 2026.
- 4.3.5 The **Fire & Public Safety** Capital Programme in 2024 - 2025 spent £1.952 million against its £5.222 million budget. The underspend primarily related to re-profiling of the vehicle renewals (£1.262 million) and IT Equipment (£0.700 million) budgets into 2025-26. Included within the Fire & Public Safety Capital Programme is £1.238 million of expenditure in 2024- 2025 on the development of a Fire Control Centre that will enable 999 call-response to facilitate the mobilisation and coordination of resources to ensure that the Fire and Rescue Service provides effective, reliable and appropriate action.
- 4.3.6 Expenditure on the **Growth, Highways & Infrastructure** Capital Programme in 2024 - 2025 included the following key elements:
- a. £49.843 million on Highways schemes, of which £32.720 million was incurred on various highways capital maintenance projects across the county, £6.665 million was incurred on key footways and drainage improvements, £7.312 million was incurred on residential resurfacing schemes, and £3.146 million on other highways projects. This represents a £3.540 million underspend against the 2024 - 2025 budget of £53.384 million, with the remaining budget carried forward into 2025 - 2026. This underspend in-year was largely a result of the reprofiling of works due to the need to coordinate with the substantial volume of utility works associated with fibre-to-the-home to avoid the risk of newly-laid surfacing being rapidly dug up.
 - b. £4.734 million on Waste & Environment schemes, of which £1.077 million related to the Council's Household Waste Recycling Centre Programme, the most significant element of which was the completion of Haverhill Recycling Centre which opened in August 2024. However, the expenditure compares to a £17.172 million budget for 2024 - 2025. The reason for the variance was significant underspends against other elements of this programme, in particular Green Homes Grant scheme which provides grants to retrofit efficient energy and renewable technologies, and the Suffolk Retrofit grant was awarded as part of the Devolution Deal with Government and will see a loan fund launched to support energy efficiency schemes. The reason for the underspend against Green Homes Grant scheme was overly restrictive eligibility criteria and complicated approval process required by Government resulted in supply-chain challenges and a lack of households coming forward, which led to low uptake. The reason for the underspend against the Suffolk Retrofit Loan Fund was the delay to the launch date ensuring that most of the allocation will now be applied in 2025 - 2026;

- c. £0.546 million on Housing projects, including £0.303 million on the Mildenhall West development, £0.209 million on the North Lowestoft Garden Village, with the remainder on various other sites across the county.
 - d. £7.205 million on Transport Strategy schemes. This represented a significant £45.237 million underspend against the £52.441 million 2024 - 2025 budget. The main reasons for this were delays on the A12 East of Ipswich Major Roads Network (MRN) scheme and Active Travel schemes. The A12 East of Ipswich Major Roads Network (MRN) scheme has been delayed as a result of Government confirming funding almost two years later than original expectations, with the final business case now due to be submitted in October 2025. Active Travel Schemes have been delayed due to a combination of increased public engagement which delayed designs, severe weather in late 2024, and transfer of projects to the Council's new highways contractor, Milestone, who needed to carry out their own due diligence on projects.
 - e. £12.374 million on the Gull Wing Bridge in Lowestoft. This reflects work which led to the completion and opening of the bridge in September 2024. Although the £12.4 million expenditure exceeded the £6.0 million that had been apportioned to 2024 - 2025, sufficient funding from the total scheme budget remains and will be available to meet any residual costs to be incurred on the scheme from 2025 - 2026. It should be noted that the final account of the construction contract is still to be completed. Negotiations are continuing with the contractor to bring this to a conclusion.
- 4.3.7 Expenditure on the **Corporate Services** Capital Programme in 2024 - 2025 included the following key elements:
- a. £1.758 million on a rolling programme of IT infrastructure to ensure that the Council's IT network and systems continue to run. securely and efficiently. This includes a refresh programme for laptops, monitors, mobile phones and equipment. This was £0.398 million less than the £2.156 million budget, with the underspend being carried forward into 2025 - 2026.
 - b. £2.056 million on a rolling programme of capital maintenance on corporate buildings. This was £0.494 million less than the £2.550 million budget, with the underspend being carried forward into 2025 - 2026 and the difference being due to delays to project delivery, most notably the re-roofing project at the Lindbergh Centre in Ipswich.
 - c. £1.568 million on the Council's Climate Emergency Capital Investment programme to decarbonise Council buildings. This was £0.398 million more than the £1.170 million budget, with the additional expenditure being funded by accelerating budget from the 2025 - 2026 capital budget.
- 4.3.8 The **Public Health & Communities** Capital Programme in 2024 - 2025 consisted of enhancements and extensions at Bungay, Stowmarket and Bury St Edmunds libraries. It spent £0.249 million of its £0.824 million budget, with the underspend being carried forward for use on these schemes in 2025 - 2026.
- 4.4 Balance Sheet**
- 4.4.1 **Table 4** summarises the Balance Sheet of the Council at 31 March 2024 and 31 March 2025. The full Balance Sheet can be found on page 24 together with references to the notes that support each of the figures.

Table 4: Balance Sheet as at 31 March 2025

31 March 2024	31 March 2025	Increase / Decrease (-)
£ million	£ million	£ million
1,689.761 Non-Current Assets	1,731.777	42.016
187.477 Current Assets	186.409	-1.068
-414.231 Current Liabilities	-387.932	26.299
-805.912 Long Term Liabilities	-870.357	-64.445
657.095 Net Assets	659.897	2.802
180.067 Usable Reserves	202.178	22.111
477.028 Unusable Reserves	457.719	-19.309
657.095 Total Reserves	659.897	2.802

- 4.4.2 The net increase of £42.016 million in non-current assets primarily relates to a £41.761 million increase in Property, Plant and Equipment (PPE). The increase in PPE (net after disposals, depreciation and other adjustments) during 2024 - 2025 is a result of the addition of new and enhanced non-current assets, with the majority of the expenditure relating to infrastructure assets and education properties, either completed or under construction. This reflects the Council's ongoing capital investment in the county, in particular expenditure on the construction of the Gull Wing Bridge in Lowestoft.
- 4.4.3 Current Assets have reduced by £1.068 million during 2024 - 2025. This represents a small movement of 0.6% and is largely due to reductions in short-term debtors and cash / cash equivalents during the year, with this partly offset by an increase in the value of assets held for sale.
- 4.4.4 Current Liabilities have reduced by £26.299 million during 2024 - 2025. This is principally due to a reduction in short-term creditors over the year, with further details available in Note 17.
- 4.4.5 Long-term Liabilities include liabilities in relation to capital investment, both receipts in advance of capital grants, and long-term borrowing to fund capital investment. They also include two Private Finance Initiative (PFI) schemes the Council has in place, and the Council's liabilities relating to pensions. The PFI schemes relate to the construction and management of the Energy from Waste facility at Great Blakenham and the upgrade and maintenance of fire stations for Suffolk Fire and Rescue (see note 29 of the core statements). The £64.445 million increase in Long-Term Liabilities is mainly due to a combination of a £59.575 million increase in long-term borrowing as a result of capital investment and the increasing deficit relating to the Dedicated Schools Grant, and a £10.887 million increase in Other Long-Term Liabilities due to developer contributions received in the year.
- 4.4.6 **Usable reserves** are cash reserves that can be used to fund the activities of the Council. Details of the increase in usable reserves of £22.111 million are shown in **Table 5** overleaf and in the following paragraphs.

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Table 5: Usable Reserves

31 March 2024	31 March 2025	Increase / Decrease (-)
£ million	£ million	£ million
66.442 General Reserves (unallocated)	62.055	-4.388
101.686 Earmarked Reserves (allocated)	118.706	17.021
168.128 Total Revenue reserves	180.761	12.633
11.939 Capital Reserves	21.417	9.478
180.067 Total Usable Reserves	202.178	22.111

- 4.4.7 General reserves are revenue reserves which are not ring-fenced and provide resources to support the Council's financial position, providing a buffer against risks, catastrophes, and emerging pressures that have yet to be quantified. It comprises a General Fund, which is the Council's reserve of last resort, and a Risk Reserve to help manage the financial risks faced by the Council. The £4.388 million reduction during 2024 - 2025 is a combination of a £8.644 million planned transfer from the Risk Reserve to support the delivery of a balance budget in 2024 - 2025, and a £2.600 million transfer to support the budget increase within the Inclusion Service in line with the decision made by Cabinet on 24 July 2024. These reductions were offset by the transfer into the Risk Reserve resulting from the £6.859 million underspend on the 2024 - 2025 Revenue Budget, with the remaining difference relating to £0.004 million of minor adjustments.
- 4.4.8 Earmarked Reserves are revenue reserves identified to support the delivery of Council's duties and objectives in 2024 - 2025 and beyond. These include reserves to support the delivery of corporate priorities, reserves which are ringfenced for a particular purpose, and pooled funds held in partnership with other organisations. In addition, and in line with the requirement of the CIPFA Accounting Code of Practice, Earmarked Reserves include the Council's Capital Financing Reserve and Minimum Revenue Provision Reserve, which support the revenue costs of financing the Council's Capital Programme. The £17.021 million increase in Earmarked Reserves during 2024 - 2025 is mainly as a result of £18.067 million from the former New Anglia Local Enterprise Partnership, to support economic development within Suffolk, alongside other smaller changes across a range of reserves which have the net impact of a reduction of £1.046 million.
- 4.4.9 **Capital Reserves** comprise capital receipts, grants and contributions that can only be applied to finance capital expenditure. During 2024 - 2025, these reserves increased by a £9.478 million. This increase was due to a combination of the re-profiling of capital expenditure to be financed from capital receipts into 2025 - 2026, and the receipt of external contributions in 2024 - 2025 for capital schemes due to progress in 2025 - 2026.
- 4.4.10 **Unusable Reserves** are those which exist to comply with accounting practice and statute. These reserves fell by 4.5% from £477.028 million to £456.558 million in 2024 - 2025. ,
- 4.4.11 It should be noted that the usable reserves in **Table 5** above do not include the Dedicated Schools Grant (DSG) Reserve, which is excluded from being classified as a usable reserve due to a statutory override. There are significant pressures within the High Needs element of the DSG which have been present for many years, with the negative balance on the DSG reserve having increased to £97.638 million as at 31 March 2025. Further information on this can be found in paragraph 6.2.4.

4.5 Pension Liabilities

- 4.5.1 Suffolk County Council participates in four pension schemes, the firefighters', teachers', National Health Service (NHS) and Local Government pension schemes. These schemes are used to pay former employees their pension and other benefits when they retire. Of these schemes, the Teachers' Pension Scheme is administered nationally by the Department for Education and the NHS scheme is

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- administered by the NHS Business Service Authority. Their liabilities are not reported separately in the accounts of individual local authorities.
- 4.5.2 The liabilities of the Council in relation to the Firefighters' and Local Government schemes are reported on the balance sheet in accordance with International Financial Reporting Standard 19 (IAS19). The net liability arising from defined benefit obligation on the Firefighters' scheme at 31 March 2025 was £194.100 million (£207.500 million as at 31 March 2024), whilst the net liability arising from defined benefit obligation on the Local Government Pension Scheme at 31 March 2025 and £7.888 million (zero liability as at 31 March 2024) on the Local Government scheme.
- 4.5.3 The Suffolk Pension Fund is revalued every three years with the last full valuation as at 31 March 2022 reporting a funding level of 107%. The next triennial valuation of the Fund due during 2025.

5.0 Treasury Management & Cashflow

5.1 Cash and Short-Term Investments

- 5.1.1 The Council held £49.435 million of short-term investments at 31 March 2025. Of this, £49.202 million relates to the fair value of principal held, and £0.233 million of accrued interest. These investments consisted of £5.915 million in Lloyds' deposit account, £38.879 million in money market funds, £4.401 million in Churches, Charities and Local Authorities (CCLA) Property Fund, and £0.007 million being principal from small loans.

Table 6: Cash and Short-Term Investments

2023 - 2024		2024 - 2025	
£ million		£ million	
2.415	Cash and Cash Equivalents	0.407	
49.690	Short Term Investments	49.435	
52.105		49.842	

- 5.1.2 The Council's Treasury Management Strategy ensures that it is able to maintain sufficient short-term liquidity at all times so that its financial obligations are met, with its short-term investments readily convertible to cash when required.

5.2 Borrowing

- 5.2.1 The Council's total gross external debt was £705.042 million at 31 March 2025 (£635.172 million at 31 March 2024). This consisted of external borrowing of £665.101 million (£600.372 million at 31 March 2024), Private Finance Initiative (PFI) debt of £35.146 million (£34.800 million at 31 March 2024), and a lease liability of £4.795 million (zero at 31 March 2024). The lease liability represents the debt recognised as a result of introduction of IFRS16 in 2024 - 2025. IFRS16 stipulates how leases should be accounted for, with further details provided in Note 1. Section xvii.
- 5.2.2 The £705.042 million of total gross external debt at 31 March 2025 is comfortably below the Council's £876.170 million Capital Financing Requirement at this date, which is the statutory ceiling on external borrowing for capital purposes. This reflects the Council's approach to treasury management, which makes use of internal balances and other reserves where possible to reduce the need for external borrowing. Although total gross external debt remains well below the Capital Financing Requirement, the headroom has reduced from 2023 - 2024 despite useable reserves increasing. This is a result of the increasing Dedicated Schools Grant deficit. Further increases in the deficit will reduce this headroom further in future years, and action is required in conjunction with Government to prevent total gross external debt from exceeding the Capital Financing Requirement over the medium-term.
- 5.2.3 The Council's £665.101 million short-term and long-term external borrowing at 31 March 2025 consisted of:

- a. £655.997 million of long-term gross external borrowing comprising:
 - i. Public Works Loan Board (PWLB) loans of £319.545 million (up from £267.142 million at 31 March 2024);
 - ii. an interest free loan provided by Salix Finance Ltd (see [Salix Finance Ltd - GOV.UK \(www.gov.uk\)](https://www.gov.uk) for further details) of £3.952 million (down from £5.814 million at 31 March 2024);
 - iii. 'Lender Option and Borrowing Option (LOBO)' loans of £90.000 million (down from £100.000 million at 31 March 2024);
 - iv. Long-term bank loans of £45.000 million (no change from 31 March 2024);
 - v. Long-term borrowing from public bodies of £32.500 million (up from £15.000 million at 31 March 2024);
 - vi. Short-term borrowing from public bodies of £165.000 million (up from £160.000 million at 31 March 2024);
 - b. £8.360 million of accrued interest payable on these balances, and other minor adjustments;
 - c. £0.744 million of funds held in trust;
- 5.2.4 The average rate of interest on the Council's external borrowing as at 31 March 2025 was 4.03%, increased from 3.93% as at 31 March 2024.

6.0 Financial Challenges in 2025 - 2026 and Medium-Term Outlook

6.1 Budget Strategy

- 6.1.1 The Council approved its 2025 - 2026 Budget on 15 February 2025. As part of this, a Budget Strategy was agreed based on a recognition that in order for the Council to continue to deliver the best possible services within available resources in 2025 - 2026, it was essential to take a medium-term view of the Council's budget; focus on meeting the Council's Corporate Priorities and associated Directorate Annual Plans; and rise to the challenge presented by the economic environment.
- 6.1.2 There are four core objectives of the Council's Corporate Strategy for 2022 - 2026 provided the strategic foundation for budget and service planning for the 2025 - 2026 Budget and the 2025 - 2029 Medium Term Financial Plan:
- a. Promoting and supporting the health and wellbeing of all people in Suffolk;
 - b. Strengthening our local economy;
 - c. Protecting and enhancing our environment;
 - d. Providing value for money for the Suffolk taxpayer;
- 6.1.3 To ensure the Council lives within available resources, it has produced a Medium-Term Financial Plan (MTFP). The MTFP estimates the resources available to the Council over a four-year period covering the period 2025 - 2029 and compares these with the expenditure estimated to be needed to meet its legal duties and policy requirements over this period. The estimate includes forecast demand pressures, alongside planned savings and assumptions concerning future funding based on expected flexibilities. The difference between forecast resources and expenditure, after planned savings, is termed the Budget Gap. For the MTFP to be acceptable, any Budget Gap should be in the latter years of the plan, with the Council recognising that it needs to take action between now and then to develop plans to bridge that gap when it occurs.
- 6.1.4 A further key element of the Budget Strategy is to have adequate reserves available to manage any unexpected changes to its spending and funding plans. This involves the Council assessing and, where possible, quantifying the financial risks it faces. A core principle is that reserves should not be used to cover ongoing gaps between expenditure and funding and should be replenished as soon as practicable.

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6.2 2025 - 2026 Budget and 2025 - 2026 Medium Term Financial Plan

6.2.1 The following tables summarise the 2025 - 2026 Budget and associated Medium Term Financial Plan to 2028 – 2029 approved by Council on 13 February 2025. These provide details of the forecast budget gap for future years.

Table 7a - 2025 - 2026 to 2028 - 2029 Net Expenditure Budget

	2025- 2026 £ million	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million
Budget brought forward	752.876	803.672	855.918	910.991
Reversal of prior year one-off items	-1.000	3.300		
Grant Changes	3.450			
Inflation	33.333	29.299	29.544	29.750
Demand Pressures	26.167	17.578	17.029	17.029
Corporate Pressures	13.503	6.717	8.088	5.840
Other Pressures	5.972	0.526	0.413	0.357
Saving Delays/Non Delivery	1.027			
Savings/Mitigations identified in 2024 - 2025 Budget	-17.506	-3.374		
New Savings/Mitigations	-10.850	-1.800		
Contributions from/to Directorate Reserves	-3.300			
Net Expenditure Budget	803.672	855.918	910.991	963.967

Table 7b - 2025 - 2026 to 2028 - 2029 Core Funding Budget

	2025- 2026 £ million	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million
Funding brought forward from previous year	752.876	803.672	822.841	844.896
Local Taxation				
Business Rates	4.194	1.446	2.996	3.059
Council Tax & Social Care Precept	36.480	18.308	19.059	19.827
Collection Fund Surplus / Deficit	-0.549	-0.584		
Government Grants				
Children's Services Preventative Grant	2.196			
Domestic Abuse Duty Safety Accomodation Grant	1.834			
National Insurance Grant	4.437			
New Homes Bonus	0.069			
Public Health Grant	0.499			
Revenue Support Grant	1.850			
Rural Services Delivery Grant	-2.950			
Services Grant	-0.717			
Social Care Grant (Adults and Children)	12.097			
Contribution from Corporate Reserves	-8.644			
Core Funding Budget	803.672	822.841	844.896	867.782

Table 7c – 2025 - 2026 to 2028 - 2029 Budget Gap

	2025- 2026 £ million	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million
Net Expenditure Budget	803.672	855.918	910.991	963.967
Core Funding Budget	803.672	822.841	844.896	867.782
Budget Gap	0.000	33.076	66.095	96.185

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- 6.2.2 The 2025 - 2026 Budget was set against the backdrop of the election of a new Government in July 2024, sluggish economic growth and constrained public finances, all in the midst of a turbulent geo-political environment with a new U.S. President and conflicts continuing in Ukraine, the Middle-East, and elsewhere. Although Government has increased funding for local government for 2025 - 2026, a combination of continuing increases in demand and tax rises mean that a balanced budget has only been possible through setting a significant savings target of £28.356 million and maximising income from Council Tax by increasing it by 4.99 percent. In addition, the Council is shouldering significant financial risks which, if realised, would require a drawdown on its unallocated reserves.
- 6.2.3 The challenging situation is expected to continue through the medium-term, with a budget gap of £96.185 million forecast for 2028 - 2029, requiring the Council to continue to focus on delivering further savings and lobbying the Government for adequate resources to enable it to meet its statutory duties.
- 6.2.4 Alongside pressures to budgets funded from core funding, the Council continues to experience significant pressures in relation to expenditure funded from the High Needs Block of the Dedicated Schools Grant (DSG), with the negative balance on the DSG reserve having increased to £97.638 million as at 31 March 2025. This pressure is expected to continue, with a funding gap of £62.175 million expected in 2025 - 2026, rising to £106.649 million in 2027 - 2028. Although a statutory override exists to the end of the 2027 - 2028 financial year which allows a negative DSG reserve to be held and not classified within usable reserves, this cannot be a permanent solution, with increasing deficits adding even further pressure to the Council's borrowing costs. The Government recognises this is a national issue with a White Paper due in the autumn of 2025 which is anticipated to outline proposals for managing this issue in future years.
- 6.2.5 Despite recognising the challenging circumstances affected the Council's finances, the Section 151 Officer stated in her Section 25 report (which accompanied the 2025 - 2026 Budget) that budget estimates for 2025 - 2026 were "robust, recognising the Council's cost pressures and risks, and represent an achievable financial plan for the year". As there has not been any substantial change to the state of the Council's finances since this point, there is no expectation that a Section 114 notice will be issued in the foreseeable future.

6.3 2025-29 Capital Programme

- 6.3.1 The Council's 2025 - 2029 Capital Programme is a key part of its financial plans, with £361.778 million approved to be spent over the period by Council on 13 February 2025 as illustrated below in **Table 8**. A change in methodology was adopted when setting the 2025 – 2029 Capital Programme compared to the previous year, with Children & Young People Directorate schemes expecting to start on-site in 2026-2027 and beyond transferred into the Council's Capital Pipeline to reflect significant uncertainty over these scheme's costs and timings. This had the effect of reducing the approved programme.
- 6.3.2 The most significant element of the 2025 – 2029 Capital Programme is Growth, Highways & Infrastructure Directorate (GHI) Programme. Highways schemes represent the largest component of the GHI Programme at £151.838 million, with most of this representing the rolling programme of capital highways maintenance works across the county. This will involve the replacement and restoration of carriageways, structures, street lighting, traffic signals, footways, and drainage infrastructure. In addition, the GHI Programme contains a significant scheme to develop the A12 east of Ipswich, which is a Major Road Network (MRN) project supported by significant investment from the Department for Transport.
- 6.3.3 The completion of the Gull Wing Bridge in Lowestoft in September 2024 means that the Council has not entered in 2025 - 2026 with any sizeable capital commitments, with no single capital project having a commitment over £10 million.

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- 6.3.4 The Children & Young People Directorate (CYP) Programme also forms a substantial component of the 2025 – 2029 Capital Programme with significant investment planned to increase school capacity to meet the need caused by housing development within the county.

Table 8 – 2025-29 Capital Programme

	2025 - 2026 Budget (£million)	2026 - 2027 Budget (£million)	2027 - 2028 Budget (£million)	2028 -2029 Budget (£million)	Total Budget 2025 - 2029 (£million)
Adult Social Care	9.527	9.242	9.242	9.167	37.180
Children & Young People	15.815	31.532	20.245	3.945	71.537
Fire & Public Safety	4.787	0.869	4.761	1.875	12.292
Growth, Highways & Infrastructure	25.166	77.126	61.179	38.929	202.400
Corporate Services	10.390	9.320	9.370	9.290	38.369
Total	65.685	128.089	104.797	63.206	361.778

7.0 Risks and Opportunities

- 7.1 The Council is responsible for ensuring that a risk and control environment is established as part of day-to-day operations. Operational managers are responsible for, and thus should be adequately skilled in, making risk assessments (including proactive review, update and modification).
- 7.2 The Corporate Risk Register (CRR) is a live system that responds to the fast-changing environment and the new challenges and opportunities that the Council faces. Each risk is assessed as to its likelihood and impact, based on scoring levels of very high, high, medium and low. The CRR is reviewed annually by the Corporate Leadership Team (CLT) to ensure that all significant areas of risk are covered and that mitigations are recorded adequately. As part of this annual review, an analysis of the corporate risk profiles (heatmaps) is undertaken with the aim of informing decisions taken regarding the Council's risk appetite. The CRR is also reported to Corporate Leadership Team and Cabinet Members on a quarterly basis. The Council's risk governance arrangements are subject to scrutiny from the Internal Audit service and the Audit Committee. The recommendations from risk audit reviews (internal and external) are key contributory factors to the continual improvement of the Council's risk management approach.
- 7.3 Key risks affecting onto the Council as at 31 March 2025 include:
- that Government will not fully address the challenges facing local government nor recognise the demands on the public sector;
 - that Government does not provide the Council with sufficient funds and flexibilities to be able to cover its expenditure obligations;
 - poor outcomes from Department for Education progress reviews and external Area SEND Inspections;
 - higher incidence of extreme weather events and severe flooding will threaten the effectiveness of the Council's resilience planning and response;
 - growth in the number of security incidents could lead to the loss of sensitive information and a corresponding rise in data breaches involving sensitive personal information, resulting in harm to citizens, damage to the Council's reputation and the imposition of sanctions from the Information Commissioner's Office (ICO).
- 7.4 Alongside the risks it faces, the Council has opportunities to develop and improve the services it provides to its residents and businesses. In particular, the continued adoption of more advanced information technology (IT) gives the opportunity for both enhanced customer experience and more efficient service delivery. The Council continues to focus on this area, recognising the potential benefits that could be realised through a focused and innovative approach to IT development.
- 7.5 In addition, the Council recognises the potential to enhance local public services through the Government plans for devolution and local government reorganisation, and is working to develop

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proposals that will optimise the outcomes of these plans for local residents and businesses, in particular through its vision for a single unitary authority for the county of Suffolk.

8.0 Annual Governance Statement

- 8.1 The Council is required to conduct a review of the effectiveness of its system of internal control at least once a year and report the findings to the Audit Committee. The Annual Governance Statement (AGS) contains a review of the Council's governance framework and the effectiveness of the Council's internal control and risk management systems, and reports on any significant governance issues during the year.
- 8.2 The 2024 - 2025 Annual Governance Statement indicates that the Council's high standards have been maintained and no significant issues identified, and was considered at the Council's Audit Committee at its meeting on 18 June 2025.

9.0 Explanation of the Financial Statements

- 9.0.1 The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025, which in turn is underpinned by International Financial Reporting Standards.

9.1 Core Statements

- 9.1.1 The Core Statements are outlined in the paragraphs below.

9.1.2 Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

9.1.3 Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into Usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and Unusable reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting.

9.1.4 Balance Sheet

The Balance Sheet shows the value as at the 31 March 2025 of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories:

- a. Useable reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt).
- b. Unusable reserves are those that the Council is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Narrative Report

9.1.6 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as Operating, Investing and Financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are used in predicting demand on future cash flows by providers of capital (i.e. borrowing) to the Council.

9.2 The supplementary statements are outlined in the paragraphs below:

9.2.1 Notes to the Core Statements

The notes to the Core Statements set out supplementary information to assist readers of the accounts. In particular, Note 1 outlines the Council's accounting policies which detail the principles, bases, conventions, rules and practices applied by the Council that specify how the effect of transactions are to be reflected in the financial statements.

9.2.3 Expenditure and Funding Analysis Statement

This statement shows how annual expenditure is used and funded from resources (government grants, Council tax and business rates) by the local authority in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

9.2.4 Group Accounts

9.2.4.1 Group Accounts are produced in the same format as the statements explained above. The Council is required to reflect Suffolk County Council's 100% shareholding of its subsidiary, Suffolk Group Holdings Limited. In addition, the Council recognises its share of the profits or losses of Edmundham Developments LLP, the joint venture to promote housing development in Suffolk entered into between the Council and Lovell Partnerships Limited.

9.2.4.2 The Council has not included Suffolk Norse Limited, Suffolk Norse (Transport), Leading Lives Limited, Suffolk Libraries IPS Limited and Realise Futures CIC in the Group accounts as they are not material either qualitatively or quantitatively.

9.2.4.3 It should be noted that the provision of the Suffolk Libraries Services transferred from Suffolk Libraries IPS Limited back to the Council from 1 June 2025. Although this does not impact onto the 2024 - 2025 Statement of Accounts, it will impact onto future years'.

9.2.5 Pension Fund Accounts

9.2.5.1 The objective of the Suffolk Pension Fund's financial statements, from page 116, is to provide information about the financial position, performance and financial sustainability of the Suffolk Pension Fund that is administered on behalf of the Scheduled, Resolution and Admitted bodies. Scheduled bodies are local authorities, district and borough Councils and other similar bodies such as academies whose staff are automatically entitled to be members of the Fund. Admitted bodies are voluntary and charitable bodies or private contractors undertaking a local authority function.

9.2.5.2 The Suffolk Pension Fund provides retirement benefits for employees who are members of the Local Government Pension Scheme (LGPS). This excludes teachers, firefighters and former NHS staff as these employees contribute to other government schemes (see note 33).

9.2.6 Fire Pension Scheme

The Fire Pension Scheme is administered by Suffolk County Council following financial guidance issued in April 2006 by the former Ministry of Housing, Communities and Local Government. The fund for the pensions of firefighters has no assets and is balanced each year by receipt of a pension top-up grant from the Home Office.

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement

2023 - 2024				2024 - 2025			
Gross Expenditure	Gross Income	Net Expenditure		Notes	Gross Expenditure	Gross Income	Net Expenditure
£ million	£ million	£ million			£ million	£ million	£ million
468.469	-126.914	341.555	Adult Social Care		502.570	-147.431	355.139
547.979	-321.357	226.622	Children & Young People		607.245	-358.275	248.970
67.571	-58.977	8.594	Public Health & Communities		78.765	-63.980	14.785
29.254	-5.191	24.063	Fire & Public Safety		31.508	-4.515	26.993
125.929	-64.206	61.723	Growth, Highways & Infrastructure		133.394	-74.154	59.240
65.286	-13.403	51.883	Corporate Services		62.464	-13.876	48.588
7.111	-0.117	6.994	Central Resources & Capital Financing		7.238	-0.165	7.073
-0.612	0.000	-0.612	Pension Costs IAS 19 *		-1.396	0.000	-1.396
1,310.987	-590.165	720.822	Net cost of services		1,421.788	-662.396	759.392
19.343	-0.925	18.418	Other operating expenditure	9	20.025	0.000	20.025
25.028	-3.953	21.075	Financing and investment income and expenditure	10	38.863	-3.494	35.369
0.000	-720.186	-720.186	Taxation and non-specific grant income	11	0.000	-789.902	-789.902
1,355.358	-1,315.229	40.129	Deficit / Surplus (-) on Provision of Services		1,480.676	-1,455.792	24.884
		-37.332	Surplus (-) / deficit on revaluation and restatement of non-current assets	19			-23.930
		17.473	Remeasurements of the net defined benefit liability**	33			-3.756
		-19.859	Other Comprehensive Income and Expenditure				-27.686
		20.270	Total Comprehensive Income (-) and Expenditure (+)				-2.802

* The Pension Costs are in relation to accounting for Employee Benefits (IAS19) which are not allocated to service areas. In 2023 – 2024 and 2024 – 2025 the employer contributions are higher than the current service cost. The Current Service cost relates to the approximate employer share of benefits accruing and can be higher or lower than the actual employer contributions in year.

** The remeasurements of the net defined benefit asset/liability are in relation to increases and decreases in the actuarial gains and (-) losses arises from changes in financial assumptions, see note 33.

Expenditure and Funding Analysis

Movement in Reserves Statement

	General Fund Reserves £ million	Other Earmarked Reserves £ million	Capital Receipts Reserve £ million	Capital Grants Unapplied Account £ million	Capital Contributions Unapplied £ million	Total Usable Reserves £ million	Unusable Reserves £ million	Total Reserves £ million
Restated Balance at 31 March 2023 carried forward	67.713	113.374	10.462	0.287	2.947	194.783	482.582	677.365
<u>Movement in reserves during 2023 - 2024</u>								
Surplus or deficit (-) on provision of services	-40.129	0.000	0.000	0.000	0.000	-40.129		-40.129
Other Comprehensive Expenditure and Income							19.859	19.859
Total Comprehensive Expenditure and Income	-40.129	0.000	0.000	0.000	0.000	-40.129	19.859	-20.270
Adjustments between accounting basis and funding basis under regulations (note 7)	27.170		-1.794	-0.171	0.208	25.413	-25.413	0.000
Net Increase/Decrease (-) before Transfers to Earmarked Reserves	-12.959	0.000	-1.794	-0.171	0.208	-14.716	-5.554	-20.270
Transfer to (-)/from Earmarked Reserves (note 8)	11.689	-11.689	0.000	0.000	0.000	0.000		0.000
Increase/Decrease (-) in Year	-1.270	-11.689	-1.794	-0.171	0.208	-14.716	-5.554	-20.270
Balance at 31 March 2024 carried forward	66.443	101.685	8.668	0.116	3.155	180.067	477.028	657.095
<u>Movement in reserves during 2024 - 2025</u>								
Surplus or deficit (-) on provision of services	-24.884	0.000	0.000	0.000	0.000	-24.884		-24.884
Other Comprehensive Expenditure and Income							27.686	27.686
Total Comprehensive Expenditure and Income	-24.884	0.000	0.000	0.000	0.000	-24.884	27.686	2.802
Adjustments between accounting basis and funding basis under regulations (note 7)	37.518		3.700	0.000	5.778	46.996	-46.996	0.000
Net Increase/Decrease (-) before Transfers to Earmarked Reserves	12.634	0.000	3.700	0.000	5.778	22.112	-19.310	2.802
Transfer to (-)/from Earmarked Reserves (note 8)	-17.021	17.021				0.000		0.000
Increase/Decrease (-) in Year	-4.387	17.021	3.700	0.000	5.778	22.112	-19.310	2.802
Balance at 31 March 2025 carried forward	62.056	118.706	12.368	0.116	8.933	202.178	457.719	659.897

Expenditure and Funding Analysis

Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the core statements; however it is positioned here as it provides a link from the figures reported in the Narrative Report (Table 2a, £749.190 million directorate outturn plus Table 2b £46.985 million Dedicated Schools Grant outturn) to the Comprehensive Income and Expenditure Statement. It shows the movement in net expenditure at Outturn (£796.175 million), as reported to the Council's Cabinet, to the net expenditure in the Comprehensive Income and Expenditure Statement. It also shows the movement in the total revenue reserves from the deficit on the provision of services.

2024 - 2025

	Outturn as reported to Cabinet	Adjustments (EFA Note 1)	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting basis				Net Expenditure in the Comprehensive Income & Expenditure Account
				Adjustments for Capital Purposes (EFA Note 2)	Net Charge for the Pensions Adjustments (EFA Note 3)	Other Differences (EFA Note 4)	Total Adjustments	
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Adult Social Care	353.678	-0.660	353.018	2.685	-0.573	0.010	2.122	355.139
Children & Young People	236.186	1.672	237.858	11.949	-1.503	0.666	11.111	248.970
Public Health and Communities	41.123	-0.221	40.902	7.213	-0.055	-33.276	-26.118	14.785
Fire & Rescue Service and Public Safety	31.680	2.431	34.111	0.777	-7.899	0.005	-7.117	26.993
Growth, Highways and Infrastructure	49.516	-24.831	24.685	34.792	-0.280	0.043	34.555	59.240
Corporate Services	40.376	1.202	41.579	7.324	-0.305	-0.010	7.009	48.588
Central Resources and Capital Financing	43.616	-26.421	17.196	-10.135	0.000	0.013	-10.123	7.073
Pension Costs IAS 19	0.000	0.000	0.000	0.000	-1.396	0.000	-1.396	-1.396
Net Cost of Services	796.175	-46.828	749.349	54.604	-12.011	-32.549	10.044	759.392
Other Income and Expenditure (Note 9,10,11)			-761.982	-60.284	10.255	77.503	27.474	-734.508
Surplus (-) or Deficit on provision of services			-12.633				37.518	24.884
Opening Revenue Reserve Balance 31 March 2024 (Note 8)			168.128					
Less Surplus/Deficit (-) on Revenue Reserve Balances in Year			12.633					
Closing Revenue Reserve Balance at 31 March 2025 (Note 8)			180.761					

Expenditure and Funding Analysis

EFA Note 1 – Adjustments – the reallocation of transactions to/from service areas, moving to below the Net Cost of Services and then to/from Other Income and Expenditure, for example interest receivable and interest payable moved from Central Resources and Capital Financing.

The removal of transfers to/from reserves included in Outturn, as these are not shown on the face of the Comprehensive Income and Expenditure Statement. Other Income and Expenditure includes those items shown in Notes 9, 10 and 11. The Net Expenditure Chargeable to the General Fund balance includes council tax, non-domestic rates and government grant income which is utilised to fund the net expenditure in the Net Cost of Services.

EFA Note 2 – Adjustments for Capital Purposes – the column adjusts for the minimum revenue provision, depreciation, revaluation gains and losses, capital loss on disposal, along with capital grants recognised in the Comprehensive Income and Expenditure Statement but not reflected in management reporting. Other Income and Expenditure includes adjustments for capital grants which were receivable in the year, where conditions were satisfied in the year, along with the transfer to reserves for capital receipts not used to finance capital expenditure in year. The split of the capital transactions is shown in note 7.

EFA Note 3 – Net change for Pensions Adjustments – the removal of employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs in relation to IAS 19 Employee Benefits. Within Other Income and Expenditure, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

EFA Note 4 – Other Differences – Removal or inclusion of revenue grants to or from services to 'Taxation and non-specific grant income and expenditure' depending on whether the grants are ring fenced for specific services or not. The Public Health line includes the movement of the specific grant of £33.251 million. Inclusion of Accumulated Absences charged to services for absences earned but not taken in the year, i.e. annual leave entitlement carried forward at 31 March. Within the Other Income and Expenditure line, the difference between what is chargeable under statutory regulations for council tax and non-domestic rates compared to what was projected to be received which is a timing difference. Any difference will be brought forward in future surplus or deficits on the collection fund of the billing authorities in Suffolk. This adjustment also includes the movement of Dedicated Schools Grant (DSG) deficit and Lenders Option Borrower Option (LOBO) premium, paid in relation to restructuring of two loans, to unusable reserves, for more detail see Note 24 and 36 respectively.

Expenditure and Funding Analysis

EFA Note 5 – Expenditure & Income Analysed by Nature

2023 - 2024 £ million		2024 - 2025 £ million
	Expenditure	
371.995	Employee Expenses	396.945
860.869	Other Service Expenses	934.084
60.706	Depreciation, Amortisation, Impairments & Restatements (note 7)	68.172
25.920	Interest Payments & Impairment Losses (note 10)	28.692
1.338	Levies (note 9)	1.349
18.005	Loss on the Disposal of Assets (note 9)	18.662
17.593	Revenue Expenditure Funded from Capital (note 27)	22.503
-1.067	Net interest on the net defined benefit liability (note 10)	10.255
0.000	Gain (-) / Loss on Traded Services (note 9)	0.014
1,355.359	Total Expenditure	1,480.676
	Income	
-0.925	Gain (-) / Loss on Traded Services (note 9)	0.000
-590.166	Fees, Charges & Others Service Income	-662.395
-2.453	Interest and Investment Income (note 10)	-2.845
-1.500	Dividend Income (note 10)	-0.650
-394.844	Income from Council Tax (note 11)	-420.935
-137.087	Income from Non-Domestic Rates (note 11)	-146.986
-188.255	Government Grants, Contributions & Donated Assets (note 11)	-221.981
-1,315.230	Total Income	-1,455.792
40.129	Surplus (-) / Deficit on Provision of Services	24.884

Expenditure and Funding Analysis

2023 – 2024

	Outturn as reported to Cabinet	Adjustments (EFA Note 1)	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting basis				Net Expenditure in the Comprehensive Income & Expenditure Account
				Adjustments for Net Charge for Capital Purposes (EFA Note 2)	the Pensions Adjustments (EFA Note 3)	Other Differences (EFA Note 4)	Total Adjustments	
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Adult and Community Services	336.006	2.036	338.042	2.956	0.438	0.119	3.513	341.555
Children & Young People	208.266	2.721	210.987	14.742	1.203	-0.310	15.635	226.622
Public Health and Communities	39.623	0.628	40.251	0.982	0.044	-32.683	-31.657	8.594
Fire & Rescue Service and Public Safety	28.491	0.687	29.178	1.397	-6.512	0.001	-5.114	24.063
Growth, Highways and Infrastructure	36.067	-3.167	32.899	28.602	0.203	0.018	28.823	61.723
Corporate Services	39.027	1.016	40.043	11.580	0.234	0.026	11.840	51.883
Central Resources and Capital Financing	42.303	-25.763	16.540	-9.559	0.000	0.013	-9.546	6.994
Pension Costs IAS 19	0.000	0.000	0.000		-0.612	0.000	-0.612	-0.612
Net Cost of Services	729.783	-21.843	707.940	50.700	-5.002	-32.817	12.882	720.822
Other Income and Expenditure (Note 9,10,11)			-694.983	-46.096	-1.067	61.453	14.290	-680.693
Surplus (-) or Deficit on provision of services			12.957				27.172	40.129
Opening Revenue Reserve Balance 31 March 2023 (Note 8)			181.089					
Less Surplus/Deficit (-) on Revenue Reserve Balances in Year			-12.961					
Closing Revenue Reserve Balance at 31 March 2024 (Note 8)			168.128					

Balance Sheet

Balance Sheet

31 March 2024 £ million		Notes	31 March 2025 £ million
1,670.463	Property, Plant and Equipment	12	1,712.224
3.387	Intangible Assets	13	2.647
0.882	Heritage Assets		0.895
15.029	Long Term Debtors	36	16.011
1,689.761	Total Non-Current Assets		1,731.777
49.690	Short Term Investments	36	49.435
0.816	Assets Held for Sale	14	3.960
0.337	Inventories		0.438
134.219	Short Term Debtors	15	132.170
2.415	Cash and Cash Equivalents	16	0.407
187.477	Current Assets		186.410
-210.446	Short Term Borrowing	36	-215.600
-190.180	Short Term Creditors	17	-157.210
0.000	Short Term Lease Liability	28	-0.904
-1.979	PFI Liability	29	-2.013
-4.755	Donated Asset Account	29	-4.755
-6.871	Provisions	18	-7.450
-414.231	Current Liabilities		-387.932
-3.771	Provisions	18	-4.165
-389.926	Long Term Borrowing	36	-449.501
-54.818	Other Long Term Liabilities	36	-65.705
0.000	Long Term Lease Liability	28	-3.891
-32.821	PFI Liability	29	-33.134
-71.330	Donated Asset Account	29	-66.574
-207.500	Liability related to Defined Benefit Pension Scheme	33	-201.988
-45.746	Capital Grants Receipts in Advance	25	-45.399
-805.912	Long Term Liabilities		-870.358
657.095	Net Assets / Liabilities (-)		659.897
180.067	Usable Reserves	8	202.178
477.028	Unusable Reserves	19	457.719
657.095	Total Reserves		659.897

Cash Flow Statement

Cash Flow Statement

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. The inflows and outflows are purely on a cash basis excluding debtors and creditors.

2023 - 2024 £ million			2024 - 2025 £ million
40.129	Net deficit / surplus (-) on the provision of services		24.884
-73.035	Adjust net surplus (-) / deficit on the provision of services for non cash movements	CF1	-13.721
59.366	Adjust for items included in the net surplus (-) / deficit on the provision of services that are investing and financing activities	CF1	62.962
26.460	Net cash flows from Operating Activities		74.125
14.964	Investing Activities	CF2	-13.454
-42.200	Financing Activities	CF3	-58.664
-0.776	Net increase (-) or decrease in cash and cash equivalents		2.008
1.639	Cash and cash equivalents at the beginning of the reporting period		2.415
2.415	Cash and cash equivalents at the end of the reporting period		0.407

Notes to the Cash Flow Statement

CF1. Operating Activities

The cashflows for operating activities include the following items:

2023 - 2024 £ million		2024 - 2025 £ million
-2.360	Interest received	-2.876
23.429	Interest paid	26.993
-53.187	Depreciation and impairment	-57.743
-7.344	Downward (-) / Upward revaluations	-10.512
-0.706	Increase/decrease (-) in impairment for bad debts	-1.676
-0.639	Increase (-)/decrease in creditors	63.741
-1.635	Increase/decrease (-) in debtors	0.442
0.104	Increase/decrease(-) in inventories	0.102
6.069	Movement in pension liabilities	1.756
-19.208	Carrying amount of non current assets and non current assets held for sale, sold or de-recognised	-22.809
3.511	Other non cash items charged to the net deficit on the provision of services	12.979
-73.035	Total	-13.721
1.253	Proceeds from the sale of property, plant and equipment and intangible assets	1.707
58.113	Any other items for which the cash effects are investing or financing cashflows	61.254
59.366	Total	62.962

Cash Flow Statement

CF2. Investing Activities

2023 - 2024 £ million		2024 - 2025 £ million
111.859	Purchase of property, plant and equipment	84.661
913.944	Purchase of short-term investments	1,068.972
-1.253	Proceeds from the sale of property, plant and equipment	-1.707
-908.909	Proceeds from short-term activities	-1,069.287
-100.677	Other receipts from investing activities	-96.093
14.964	Net cash flows from investing activities	-13.454

CF3. Financing Activities

2023 - 2024 £ million		2024 - 2025 £ million
-352.000	Cash receipts of short and long term borrowings	-272.500
4.021	Cash payments for the reduction of the outstanding liabilities relating to PFI contracts	5.624
308.620	Repayments of short term and long term borrowing	209.458
-2.841	Other payments for financing activities	-1.246
-42.200	Net cash flows from financing activities	-58.664

The total of Cash receipts of short and long term borrowings (-£272.500 million), cash payments from PFI (£5.624 million) and repayments of short and long term borrowing (£209.458 million) total -£57.418 million and can be seen in the Financing Cash Flows column in table CF4 below.

CF4. Reconciliation of Liabilities Arising from Financing Activities

31 March 2024 £ million		Financing Cash Flows £ million	Non Cash Financing Activities £ million	Other Changes £ million	31 March 2025 £ million
-389.926	Long Term Borrowing	-58.042		-1.533	-449.501
-210.446	Short Term Borrowing	-5.000	0.012	-0.166	-215.600
-34.800	Long and Short Term PFI Liability	5.624		-10.765	-39.941
3.391	Short Term Debtors/Creditors*		-1.258		2.133
-631.781		-57.418	-1.246	-12.464	-702.909

* Only the element of Council Tax and Business Rates included in Short Term Debtors and Creditors is reflected in the note above, rather than the full balance disclosed on the Balance Sheet. The total of £1.258 million is part of 'other payment for financing activities' in CF3.

The Other Changes column reflects movements on long and short term borrowing and PFI which are not shown in the financing activities note CF3. The changes are shown to allow the 31 March 2025 balance to reconcile to the Balance Sheet.

Notes to the Core Statements

Notes to the Core Statements

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Impairment Losses	30	84
Intangible Assets	13	56
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Other Operating Expenditure	9	51
Pension Schemes Accounted for as Defined Contribution Schemes	32	85
PFI and Similar Contracts, including donated assets	29	81
Pooled Budgets	20	64
Property, Plant and Equipment	12	52
Provisions	18	59
Publicity	39	100
Related Parties	26	75
Taxation and Non-Specific Grant Income	11	51
Termination Benefits and Exit Packages	31	84
Transfers to/from Earmarked Reserves	8	49
Unusable Reserves	19	60

Note values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

Notes to the Core Statements

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025 (The Code) and the accounting policies set out in note 1. The notes that follow (2 to 40) set out supplementary information to assist readers of the accounts.

1. Accounting Policies

i General principles

The Statement of Accounts summarises the Council's transactions for the 2024 - 2025 financial year and its position at the year end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024 – 2025 (The Code) supported by International Financial Reporting Standards and statutory guidance issued under section 12 of the Local Government Act 2003.

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Statement of Accounts has been produced on a Going Concern basis (Note 40).

ii Accruals of income and expenditure

The Council's financial statements are prepared on an accruals basis. This means that, within material levels, income and expenditure is recognised in the accounts in the accounting period in which the effect of the relevant transactions take place and not in the period in which cash is received or paid.

This means that:

- Fees, charges and other receipts are accounted for as income at the date the Council provides the relevant goods or services.
- Goods and services are accounted for as expenditure in the accounting period when they are received or consumed.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract. For instance, where the contract for a particular financial instrument requires low interest rate payments in early years and then higher interest rate payments in later years, these are accounted for as though equal for each year. That is, the total interest payable over the life of the contract is divided by the number of years of the contract to give the amount of interest to account for each year.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The Council applies a £5,000 de-minimis policy on accruals at year-end. This means the Council does not record accruals for transactions under £5,000 except for the following:

- Transactions related to grant funding.
- Transactions going through the automated ordering system.
- Other minor exceptions.

The application of the £5,000 de-minimis policy does not materially affect the accounts of the Council.

iii Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting estimates are accounted for in the current and future years affected by the change and do not give rise to a prior year adjustment.

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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 performance.

Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

iv Events after reporting period

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

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

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

v Provisions, contingent liabilities and contingent assets

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain.

The Council maintains a number of provisions as detailed within note 18 to the core statements. Provisions are charged to the appropriate service revenue account in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. The provisions are reviewed annually to ensure that the amounts held on the Balance Sheet represent the best estimates of the expenditure required to settle the obligations.

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

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 liabilities and assets are not recognised in the Balance Sheet but disclosed in notes 34 and 35 to the accounts.

vi 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 is to be financed from a reserve, it is charged to the appropriate service revenue account in that year to count against the Net Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance so that there is no net charge against council tax for the expenditure in that year.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits that do not represent usable resources for the Council. In 2020 -2021 the Dedicated Schools Reserve was first classed as an unusable reserve, rather than a usable reserve, due to its overdrawn position. Details of unusable reserves held are shown in note 19 to the accounts.

vii Government grants and contributions

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that the grant or contributions are required to be consumed or must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service or Taxation and non-specific Grant Income line in the Comprehensive Income and Expenditure Statement.

Where capital grants and contributions 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 or contribution has yet to be used to finance capital expenditure, it is posted to the Capital Grants or Contributions Unapplied reserves. Where it is applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants or Contributions Unapplied reserves are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

viii Post-employment benefits

Employees of the Council are members of four separate pension schemes. The schemes provide defined benefits to members (retirement lump sums and pensions) earned as employees working for the Council.

- **Teachers** – The Teachers' Pension Scheme is administered by Capita Business Services Limited on behalf of the Department for Education (DfE). It is a defined benefit final salary scheme. However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the Children and Young People Directorate revenue account is charged with the employer's contributions payable to Teachers' Pensions in the year. If a teacher has extra years added to their pension calculation, Suffolk County Council pays the extra pension.
- **Firefighters** – The Firefighters' Pension Scheme is administered by Suffolk County Council and accounted for as an unfunded, defined benefit scheme. This means that there are no assets to meet the pension liabilities and cash has to be generated to meet actual pension payments. The cost of pensions and other benefits are provided from employer contributions paid to the scheme by Suffolk County Council and contributions from firefighters. Any deficit on these payments is covered by a Top-Up Grant from Central Government. The liabilities of the Firefighters' Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method.
- **Local Government Pension Scheme** - The Local Government Pension Scheme (LGPS) is administered by Suffolk County Council and accounted for as a defined benefit scheme. This scheme provides pensions and other benefits for staff other than teachers, firefighters and those previously employed by the NHS. The cost of pensions and other benefits are met by the Suffolk Pension Fund, except for the extra costs the Council has to pay when an employee retires early or as a result of a decision by the Council to terminate an officer's employment before the normal retirement date.
- **National Health Service** – The National Health Service (NHS) Scheme is administered by the NHS Business Service Authority and is a defined benefits scheme. However, the arrangement for the NHS scheme means that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme. This means that no liability for future payments of benefits is recognised in the Balance Sheet and the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to NHS Pensions in the year.

The Local Government Pension Scheme

The assets and liabilities of the LGPS attributable to the Council are included in the Balance Sheet using the projected unit credit 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, and projections of earnings for current employees.

Assets and liabilities are discounted to their value at current prices. The discount rate employed for the 2024 – 2025 accounts is 5.8%. The discount rate used is determined with reference to market returns of the corporate bond yield at the balance sheet date.

When the calculation results in an asset for the Council, the asset must be recognised at the lower of that asset and the asset ceiling, which is calculated as the net present value of future service costs less net present value of future contributions over the future working lifetime. Where the asset ceiling is the lower, an adjustment is required, which is included as a remeasurement.

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

Service cost comprising:

- current service cost – the increase in liabilities is as a result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of 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.
- net interest on the net defined benefit liability – the changes during the period, in the net defined benefit liability, that arise through the passage of time are charged to Financing and Investment Income and Expenditure in 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 liability at the beginning of the period. It takes into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurement comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses - changes in the net pension 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 are charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position.

Contributions paid to the Suffolk Pension Fund:

- cash paid as employer's contributions to the pension fund in settlement of liabilities.

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 any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits are earned by employees.

For more information on Employee Benefits and International Accounting Standard (IAS19) please refer to notes 32 and 33 of the accounts.

Benefits payable during employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and non-monetary benefits (e.g., cars) for current employees. These are recognised as an expense for services in the year in which employees render

Notes to the Core Statements

service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These costs are charged on an accruals basis to the relevant service lines in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers. Ill health retirements or departures are not considered termination benefits and voluntary early retirement is not a termination benefit.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

ix VAT

Income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from them.

x Recognition of property, plant and equipment (PPE)

All expenditure on buying, creating, or enhancing PPE assets is classed as capital expenditure if the Council will benefit from the asset for more than one year.

PPE can be:

- Operational assets (land, buildings, vehicles, plant and equipment, roads, and community assets such as parks and open spaces); and
- Non-operational assets (such as land awaiting development and surplus assets held for disposal).

Expenditure on PPE is recognised in the Statement of Accounts when the work has been carried out or when the asset has been delivered, rather than when the Council actually pays for it. In this year's accounts the Council has only included in the asset register new land and buildings over £20,000 and new vehicles, plant, and equipment over £6,000, except for IT assets which have all been included. Enhancements to existing assets have also been included.

In accordance with The Code's adaptation of IAS16, any asset that is owned by the Council, but its use is not controlled by the Council, will not be recognised as an asset on the Balance Sheet. Any asset that is not owned, but is controlled, by the Council will be recognised on the Balance Sheet providing it meets the recognition criteria above. Therefore, Community and Voluntary Controlled schools are recognised on the Balance Sheet, but Voluntary Aided, Foundation and Academy schools are not.

xi Measurement and depreciation of PPE

Property, plant and equipment are initially measured at cost. Assets are then carried in the Balance Sheet at value, and where they have a limited useful life, are reduced in value (depreciated) according to the following policies:

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	Value in Balance Sheet	Depreciation period
Operational land & buildings (excluding community assets)	Existing use value if there is a market for the asset. If not, the asset is valued at depreciated replacement cost.	Variable - based on the valuer's assessment. Land is not depreciated.
Vehicles, plant & equipment	Depreciated historical cost.	Variable – based on the estimated useful life for the type of asset.
Community assets	Historical cost or valuation.	No depreciation charge.
Assets under construction	Historical cost.	No depreciation charge.
Surplus assets	Fair value, which 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 (IFRS13).	Variable - based on the valuer's assessment. Land is not depreciated.
Intangible assets	Depreciated historical cost.	Variable – all current intangible assets have a finite useful life which varies depending on type of asset.

The valuation figures included in the accounts are the total of separate valuations of all Council properties, not a valuation or estimation based on a proportion of the properties valued together.

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 an impairment loss previously charged to a service, adjusted for depreciation that would have been charged had the loss not been recognised. Where decreases in value are identified, they are accounted for in the Revaluation Reserve where there is a balance of revaluation gains for the asset. Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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.

Where appropriate, property assets have been valued on a component basis. This methodology accounts for significant items of the property which have a different life span from the main fabric of the building. On this basis the components will be depreciated individually, reflecting their operational life. The Council componentises all assets with a total building value over £1.000 million.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Depreciation is calculated on a straight-line basis over the useful life of assets. Where new capital expenditure is incurred, the enhancement or new asset is recognised from the 1 October in the year of purchase. Therefore, six months of depreciation is calculated in the year of purchase and the asset continues to be depreciated until the date of disposal.

xii Measurement and depreciation of infrastructure assets

The property, plant and equipment line of the balance sheet also includes infrastructure assets. Infrastructure includes highways assets such as carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Notes to the Core Statements

Infrastructure assets are measured at a modified form of historic cost. Opening balances of infrastructure assets were originally recorded on the balance sheet at the outstanding loan balance as at 1 April 1994, which was deemed to be historical cost at the time. Subsequently, infrastructure assets are measured at depreciated historical cost.

Depreciation of infrastructure assets is charged on a straight-line basis with new assets given a 40 year useful life. Whilst different components of the infrastructure assets will have varying useful lives, analysis has been completed to determine this would not differ materially from using 40 years for all assets.

For derecognition of infrastructure, where capital expenditure is replacing assets, the Council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022, that the carrying amounts to be derecognised is nil.

xiii Impairment of property, plant and equipment

Assets are reviewed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and compared to the carrying amount of the asset.

Where impairment losses are identified, they are accounted for in the following way:

- 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 in the Comprehensive Income and Expenditure Statement.

Where an impairment loss previously charged to the Comprehensive Income and Expenditure Statement is reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, but only up to the amount of the original loss adjusted for depreciation that would have been charged had the loss not been recognised.

xiv Charges to revenue for the use of non-current assets

Service revenue accounts are debited with the following amounts to record the cost of holding 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 not accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses. However, the Council is required by law to make a provision for the repayment of debt, known as a Minimum Revenue Provision (MRP). The Council makes an annual contribution from revenue towards provision for 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. Depreciation, revaluation, and impairment losses charged to the Comprehensive Income and Expenditure Statement are therefore replaced by MRP in the Movement in Reserves Statement, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

xv 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 rather than through its continuing use, and the asset is being actively marketed, 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 previous losses recognised in the

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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 Assets Held for Sale and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the 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 in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and will only be used for new capital investment. Where capital receipts from a disposal are not expected in the same financial year as the derecognition of the asset, for example when they are paid in installments, the full expected receipt is credited to the Comprehensive Income and Expenditure Statement as described above. However, the element of the capital receipt that is yet to be received is then reversed out in the Movement in Reserves Statement to the Deferred Capital Receipts Reserve. This is an unusable reserve that will be transferred to the Capital Receipts Reserve when the cash is received.

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

xvi Revenue Expenditure Funded from Capital Under Statute (REFCUS) and de minimis expenditure

Revenue Expenditure Funded from Capital Under Statute is capital spending that does not result in the creation of an asset for the Council. Examples include capital grants that are made to other organisations and expenditure on schools not owned by the Council. De minimis spending is where capital assets are bought below the recognition value described in section x above and are not recognised in the asset register. The Council transfers REFCUS and de minimis expenditure to the Comprehensive Income and Expenditure Statement in the year in which the money is spent. A transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged to avoid any impact on council tax.

xvii Leases

The Council as Lessee

As of 1 April 2024, the Code requires that leases are accounted for in line with IFRS 16 (Leases).

Previously where the Council was the lessee, leases would be classified as either finance leases where the terms of the lease substantially transfer all the risks and rewards incidental to ownership of the property, plant or equipment to the lessee, or operational leases if not. However, under IFRS 16, all leases including those agreements previously classified as operating leases, with rental payments being charged to the Comprehensive Income and Expenditure Statement as an expense to services, will now have a right-of-use asset and corresponding lease liability included on the balance sheet from 1 April 2024. This is similar to the previous treatment of finance leases.

Leases under IFRS 16 are classified as contracts and parts of contracts that convey the right to control the use of identified assets, through rights both to obtain substantially all the economic benefits or service potential from those assets and to direct their use. The Code expands the scope of IFRS 16 to include arrangements with nil consideration, peppercorn or nominal payments.

The lease liability is initially recognised at the present value of lease payments, discounted at the Council's incremental borrowing rate wherever the implicit interest rate cannot be determined. The lease liability is subsequently measured at amortised cost, using the effective interest method. The lease liability is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in future lease payments as

Notes to the Core Statements

a result of a change in index or rate, a rent review or in the Council's assessment of whether it will exercise a break, purchase, extension or termination option.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

The right-of-use assets will be subsequently measured using the cost model where it is considered reasonable to do so, otherwise the assets will be subsequently measured using valuations on the same basis that the underlying asset would be valued if owned by the authority for the rights the Council as the lessee has acquired. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

As permitted by the Code, the Council has elected to apply recognition exemptions to leases of low value assets (value of less than £10,000 when new) and those with a term shorter than 12 months (or ending prior to 31 March 2025). Leases that come under these exemptions will be expensed to the Comprehensive Income and Expenditure Statement.

The Council as Lessor

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

Any finance lease granted by the Council will have the relevant asset written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Where the Council grants an operating lease, the asset is retained in the Balance Sheet and depreciated accordingly. Rental income is credited to the Comprehensive Income and Expenditure Statement.

xviii Financial liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by (where applicable) the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in 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 that was outstanding on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge expected against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

xix Financial assets

Financial assets are classified in one of three ways, dependent on their cashflow characteristics and the Council's strategy for holding them.

- a. Amortised cost,
- b. Fair Value through Profit or Loss (FVPL), or
- c. Fair Value through Other Comprehensive Income (FVOCI)

The Council's strategy is to hold investments to maturity, in order to collect contractual cash flows, rather than to trade in the underlying instruments.

The Council's financial assets are principally formed of trade receivables (debtors), loans, and deposits with banks and pooled funds.

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Those loans and receivables, where cash flows are purely payments of principal and interest, are initially measured at fair value and carried at their amortised cost. Annual credits to 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 loans the Council has made, it means the amount presented in the Balance Sheet is the outstanding principal receivable and the interest credited to the Comprehensive Income and Expenditure Statement, is the amount receivable for the year in the loan agreement.

Financial assets where the cash flows are not purely payments of principal and interest (e.g. dividends), are initially measured and then carried at fair value through profit and loss (FVPL). Where loans have been made for service purposes, rather than for the purposes of collecting principal and interest, then these will also be classified as FVPL.

Where an asset is recognised at FVPL, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council. Fair value gains and losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Council recognises that financial assets bear a risk that future cash flows might not take place because the counterparty could default on their obligation. The Council therefore recognises expected credit losses on all its financial assets held at amortised cost, either on a 12-month or lifetime basis.

Where credit risk has increased significantly since an instrument was initially recognised, losses are assessed across the lifetime of the asset. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. For trade receivables the Council recognises Expected Credit Losses on a lifetime basis.

xx Interests in companies and other entities

The Council has a 100% shareholding in Suffolk Group Holdings Ltd. Suffolk Group Holdings Ltd owns Vertas Group Ltd (Vertas), Concertus Design and Property Consultants Ltd (Concertus) and Opus People Solutions Ltd (Opus). It also has a 50% interest in the Limited Liability Partnership Edmundham Developments LLP. These interests require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies forming part of the group accounts are recorded as financial assets at cost and other equity holdings are held at fair value.

xxi Private Finance Initiative (PFI)

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

The original recognition of these assets at fair value is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Where the scheme operator has been granted the right to use the scheme assets to generate their own income, in return for a reduction in payments due for the asset, then the proportion funded by this income is recognised as a donated asset and is expensed over the life of the scheme.

PFI assets 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 PFI operators each year are analysed into five elements:

- **Fair value of the services received during the year** – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- **Finance cost** – a percentage interest charge on the outstanding Balance Sheet liability, debited to Interest payable and similar charges in the Comprehensive Income and Expenditure Statement.
- **Contingent rent** – increases in the amount to be paid for the property arising during the contract, debited to Interest payable and similar charges in the Comprehensive Income and Expenditure Statement.
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator.

Notes to the Core Statements

- **Lifecycle replacement costs** – proportion of the amount payable is posted to the Balance Sheet as a prepayment where works are not yet complete or recognised as additions to Property, Plant and Equipment when the relevant works are carried out.

For details of 2024 – 2025 transactions please refer to note 29.

With effect from 1 April 2024, the accounting standard IFRS 16 (Leases), as detailed in xvii, applies to PFI assets. Under the standard where indexation (or other changes in a rate) affects future payments relating to the asset then the liability requires remeasurement. Instead of expensing the increased payment the value of future payments that comprise the liability is recalculated based on the revised level of payments.

xxii Accounting for council tax and non-domestic rates

The council tax and non-domestic (business) rates income included in the Comprehensive Income and Expenditure Statement, for both billing authorities and major preceptors, is the accrued income for the year. The Council's share of the accrued income is collated from the billing authorities' information that is required to be produced by them, to prepare their Collection Fund Statements.

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 a Collection Fund Adjustment Account and is included as a reconciling item on the Movement in Reserves Statement.

The cash collected by the billing authorities from council tax debtors belongs proportionately to the Billing Authorities, Police and Crime Commissioner for Suffolk and Suffolk County Council. Therefore, the Council shows in the Balance Sheet its proportion of council tax debtors and corresponding creditors showing the amount then owed to the Billing Authorities.

The cash collected by the billing authorities from business rates debtors belongs proportionately to the Billing Authority (40%), Suffolk County Council (10%) and Central Government (50%).

The Council shows in the Income and Expenditure Statement and Balance Sheet the proportion of the business rate gain from the Suffolk Pool, due from the billing authorities based upon the actual rates collected, above the rates baseline, as set by Central Government.

xxiii Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Current account balances and cash held by the Council at the 31 March are therefore clearly cash equivalent sums. 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.

The Council has an arrangement in place to hold funds on behalf of third parties. These amounts are included within the cash figure and a corresponding amount is held as a creditor as the Council considers that it exerts sufficient control over these funds.

For short term investments, there are no strict criteria to follow relating to the nature and maturity of these items. The Council holds short term investments in a variety of forms such as money markets and deposit accounts for the purpose of obtaining a gain or return, or to increase the security of these assets. The Council's policy is that deposits of any length should be classed as an investment and not a cash equivalent on the Balance Sheet.

xxiv Basis of consolidation for the group accounts

The Group Accounts have been prepared using the group accounts requirements of The Code of Practice on Local Authority Accounting. Companies that are within the Council's group boundary have been included in the Council's group accounts to the extent that they are either quantitatively or qualitatively material to users of the financial statements. This will give the reader the 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.

The Council's subsidiary, Suffolk Group Holdings Ltd and its 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. The Council's interest in Edmundham Developments LLP is recorded on an equity basis reflecting the

Council's share of the income, expenditure and equity of the Joint Venture. The Council has not included Leading Lives IPS Ltd, Suffolk Libraries IPS Ltd, and Realise Futures CIC in the Group accounts as they are not material either qualitatively or quantitatively.

xxv Apprenticeship Levy

The Council makes payment to Central Government in relation to the Apprenticeship Levy, a tax on UK employers with an annual pay bill exceeding £3 million. It requires employers to contribute 0.5% of their payroll to fund apprenticeship training. The cost of the levy is recognised as a direct cost of employment in the Comprehensive Income and Expenditure Statement when it is paid to HMRC. When funds are transferred from the Government's Digital Apprenticeship Account to an approved training provider, a training expense, up to the value of the training provided, with a corresponding entry for a government grant, is recognised in the Comprehensive Income and Expenditure Statement against the service benefiting from the training.

2. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025 requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard, that has been introduced but not yet adopted.

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

- Changes to the measurement of non-investment assets within the 2025 – 2026 Code which include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the adaptations also include a relief from the requirements of IAS 8, which is confirmed within the Code.

The following accounting standards have changes that are either clarifications and therefore will not have a significant impact on the amounts anticipated to be reported in the financial statements, or are not relevant to the Council:

- **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

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:

- Despite the fact that the Council is currently managing its finances through a period of particular challenge and uncertainty, it recorded an underspend of £6.859 million against its 2024 - 2025 Net Revenue Budget, with its usable reserves increasing by £22.111 million to £202.178 million. This position, alongside an assessment of financial risk which determined that the level of resources held in the Council's unallocated useable reserves is sufficient to cover the financial impact of plausible scenarios for 2025 -2026, there is no strong case for impairing the Council's assets or making other accounting adjustments due to its financial position.

Notes to the Core Statements

- Note 37, Nature and Extent of Risks arising from Financial Instruments, details the Council's Investment Strategy and approach to managing risk and the judgements made.
- The Council has two Private Finance Initiative (PFI) contracts. One for the provision/refurbishment of Fire Stations and one for the provision of the Energy from Waste Facility. The accounting policies, Note 1, for PFI schemes have been applied to these arrangements and operational assets recognised in Property Plant and Equipment on the Council's Balance Sheet. Note 29 provides further detail.
- The Council recognises school assets for Community and Voluntary Controlled schools on its Balance Sheet. The Council has not recognised assets relating to Academies, Voluntary Aided, Free or Foundation schools, as it is of the opinion that these assets are not controlled by the Council. School assets are recognised as a disposal from the Council's Balance Sheet on the date on which a school converts to Academy status, not on the date of any related announcement, nor is any impairment recognised by the Council prior to conversion. The Education Act 2011 and The Free School Presumption advice document (February 2016) state that for all new schools the local authority must seek proposals for the establishment of an Academy. Therefore, in line with the recognition criteria stated above, the Council will not include newly constructed schools in the Balance Sheet on the basis that they will all be academies or free schools, and not controlled by the Council. Going forward, capital expenditure on new school construction will be treated as revenue expenditure funded from capital under statute (REFCUS) as it is for the construction of an asset that is not for the Council.
- The Council has several interests in other entities which fall within the group boundary of the Council, on the grounds of control and significant influence in line with the Code. However, the Council concluded that it is only necessary to include Suffolk Group Holdings Limited and Edmundham Developments LLP in the consolidated statement, as the others in aggregate are not sufficiently material to include. See note 38, Interest in Companies and the Group accounts for further information.

Notes to the Core Statements

4. Assumptions Made About the Future and Other Major Sources of Estimation and Uncertainty

The preparation of the Statement of Accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below:

Item	
Property, Plant & Equipment	<p>Uncertainty</p> <p>Depreciation: Assets are depreciated over useful lives that are dependant on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. The depreciation policy followed by the Council can be seen in note 1 to the Core Statements.</p> <p>Valuation: Operational assets are valued on the basis of Value in Existing Use or on a Depreciated Replacement Cost (DRC) basis for assets (or part there of) which are considered to be of a specialist nature because there is inadequate market evidence of value in existing use for these types of assets. Surplus Assets are valued on the basis of Fair Value (IFRS13). Asset values are reviewed periodically to ensure the value is not materially mistated, with approximately 20% of assets valued as at 31 March 2025. The remaining assets were reviewed to ensure values were materially accurate.</p> <p>Effect if actual results differ from assumptions</p> <p>Depreciation: If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset decreases. It is estimated that the annual depreciation for assets would increase by £5.892 million for every year that useful lives had to be reduced. A reduction in estimated valuations would result in reductions in the Revaluation Reserve and/or a loss recognised in the Comprehensive Income and Expenditure Account.</p> <p>Valuation: A reduction in estimated valuations would result in reductions in the Revaluation Reserve and/or a loss recognised in the Comprehensive Income and Expenditure Account. If the asset categories subject to valuations (Other Land and Buildings, Surplus Assets and Assets Held For Sale) were to decrease in value by 10%, this would result in an approximate charge of £29.005 million to the Comprehensive Income and Expenditure Account. An increase in estimated valuation would be an increase in the Revaluation Reserve and/or reversals of previous revaluation losses charged to the Comprehensive Income and Expenditure Account. For the asset categories Other Land and Buildings and Surplus Assets, which are subject to depreciation, the depreciation charge will change in direct relation to the value of those assets. The net book value of this asset base is £806.773 million. The Asset Held for Sale category is not subject to depreciation.</p>
Fair Value Measurement	<p>Uncertainty</p> <p>When the fair values of Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (Level 1 inputs), or other inputs that are observable for the asset, either directly or indirectly (Level 2 inputs), their fair value is measured using unobservable (Level 3) inputs. Where it is not possible to base the valuation technique on observable data, judgement is required in establishing fair values. These judgments typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of assets and liabilities.</p> <p>Effect if actual results differ from assumptions</p> <p>Lambert Smith Hampton carried out the valuation on the Council's Surplus Assets on behalf of Concertus Design and Property Consultants Ltd and advised that all the valuation inputs used were Level 3 inputs. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement of these assets.</p>
Pension Asset/Liability	<p>Uncertainty</p> <p>Estimation of the net position to pay pensions depends on a number of 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 assets. Hymans Robertson LLP is engaged to provide the Council with expert advice about the assumptions to be applied. In 2024 - 2025 the position of the Local Government Pension Fund was a net asset which was adjusted to the calculated asset ceiling figure provided by Hymans Robertson LLP as per the code requirements.</p> <p>Effect if actual results differ from assumptions</p> <p>During 2024 - 2025, the Council's actuary advised that the net pensions liability had decreased by £5.512 million. Further sensitivity analysis on pension liabilities are in Note 33.</p>

5. Material Items of Income and Expenditure

The following material items were included within the Comprehensive Income and Expenditure Statement:

In 2024 - 2025, £15.575 million of non-current assets have been transferred to 5 Academies which opened during the year. This is included within the loss on disposal reflected in note 9, Other Operating Expenditure in the Comprehensive Income and Expenditure Statement.

6. Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer (Section 151 Officer) on 27 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 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. For 2024 - 2025 there has been one notable event that takes place after this date so is not reflected in the financial statements or notes.

Suffolk Libraries Services transferred from Suffolk Libraries IPS Ltd back to the Council from 1 June 2025. This will not have any impact of the 2024 – 2025 Statement of Accounts, but it will impact on future years.

Notes to the Core Statements

7. Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024 - 2025		Usable Reserves		
	General Fund Balance £ million	Capital Receipts Reserve £ million	Capital Grant/Contributions Unapplied Account £ million	Movement in Unusable Reserves £ million
Adjustments to Revenue Resources				
<u>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</u>				
Pension Costs (transferred to the Pensions Reserve)	1.756			-1.756
Council Tax and Non Domestic Rates (transfers to Collection Fund Adjustment Account)	-1.258			1.258
Holiday Pay (transferred from the Accumulated Absences Reserve)	-0.688			0.688
Impairment Gain (+) / Loss on the Pooled Investment Fund	0.083			-0.083
Dedicated School Grant (transferred to the Dedicated School Grant Adjustment Account)	-43.536			43.536
Financial Instruments Adjustment Account	0.446			-0.446
<u>Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account)</u>				
Charges for depreciation, impairment of non-current assets and amortisation of intangible assets	-57.743			57.743
Revaluation loss on Property, Plant and Equipment	-10.512			10.512
Restatement of non current assets				0.000
Capital grants and contributions that have been applied to capital financing	71.619			-71.619
Income in relation to Donated Assets	15.599			-15.599
Revenue expenditure funded from capital under statute	-22.503			22.503
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	-22.809			22.809
Total Adjustments to Revenue Resources	-69.547	0.000	0.000	69.547
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	7.657	-7.657		0.000
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	13.425			-13.425
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	8.297			-8.297
Total Adjustments between Revenue and Capital Resources	29.379	-7.657	0.000	-21.722
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		3.957		-3.957
Long Term Debtor repayment in year		0.000		0.000
<u>Application of capital grants to finance capital expenditure</u>				
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	6.134		-6.134	0.000
Application of grants and contributions to capital financing transferred to the Capital Adjustment Account			0.357	-0.357
Cash payments in relation to deferred capital receipts	-5.950			5.950
Transfer of deferred sale proceeds. Part of the gain loss on disposal, transferred to the CAA	2.466			-2.466
Total Adjustments to Capital Resources	2.650	3.957	-5.777	-0.830
Total Adjustments	-37.518	-3.700	-5.777	46.995

Notes to the Core Statements

2023 – 2024 Adjustments between Accounting Basis and Funding Basis under Regulations:

2023 - 2024	Usable Reserves			
	General Fund Balance £ million	Capital Receipts Reserve £ million	Capital Grant/Contributions Unapplied Account £ million	Movement in Unusable Reserves £ million
Adjustments to Revenue Resources				
<u>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</u>				
Pension Costs (transferred to the Pensions Reserve)	6.069			-6.069
Council Tax and Non Domestic Rates (transfers to Collection Fund Adjustment Account)	-2.846			2.846
Holiday Pay (transferred from the Accumulated Absences Reserve)	0.127			-0.127
Impairment Gain (+) / Loss on the Pooled Investment Fund	-0.177			0.177
Dedicated School Grant (transferred to the Dedicated School Grant Adjustment Account)	-26.363			26.363
Financial Instruments Adjustment Account	0.446			-0.446
<u>Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account)</u>				
Charges for depreciation, impairment of non-current assets and amortisation of intangible assets	-53.187			53.187
Revaluation loss on Property, Plant and Equipment	-7.344			7.344
Restatement of non current assets	0.000			0.000
Capital grants and contributions that have been applied to capital financing	68.429			-68.429
Income in relation to Donated Assets	5.255			-5.255
Revenue expenditure funded from capital under statute	-17.593			17.593
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	-19.208			19.208
Total Adjustments to Revenue Resources	-46.392	0.000	0.000	46.392
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	7.203	-7.203		0.000
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	12.033			-12.033
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5.137			-5.137
Total Adjustments between Revenue and Capital Resources	24.373	-7.203	0.000	-17.170
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		8.997		-8.997
Long Term Debtor repayment in year		0.000		0.000
<u>Application of capital grants to finance capital expenditure</u>				
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	0.799		-0.799	0.000
Application of grants and contributions to capital financing transferred to the Capital Adjustment Account			0.762	-0.762
Cash payments in relation to deferred capital receipts	-5.950			5.950
Total Adjustments to Capital Resources	-5.151	8.997	-0.037	-3.809
Total Adjustments	-27.170	1.794	-0.037	25.414

Notes to the Core Statements

8. Transfers to/from Earmarked Reserves

	Balance at 1 April 2023 £ million	Transfers between Reserves £ million	Transfers Out 2023 - 2024 £ million	Transfers in 2023 - 2024 £ million	Balance at 31 March 2024 £ million	Transfers between Reserves £ million	Transfers Out 2024 - 2025 £ million	Transfers in 2024 - 2025 £ million	Balance at 31 March 2025 £ million
General Fund	20.443	1.901	0.000	0.000	22.344	2.219	0.000	0.000	24.563
Risk Reserve	47.270	1.445	-4.616	0.000	44.099	-4.819	-8.644	6.856	37.492
Total General Fund Reserves	67.713	3.346	-4.616	0.000	66.443	-2.600	-8.644	6.856	62.055
Earmarked Reserves									
Capital Financing Reserve	22.792	2.574	-4.012	8.913	30.267	-6.902	-2.031	3.981	25.315
Corporate Priorities Reserve	0.000	13.710	-7.977	0.504	6.237	1.670	-3.088	0.000	4.819
Earmarked Reserves (Capital)	0.000	0.000	0.000	0.000	0.000	6.615	-4.851	2.360	4.124
Earmarked Reserves (Revenue)	0.000	22.825	-5.850	3.851	20.826	0.202	-6.411	22.974	37.591
Insurance Reserve	0.000	7.500	0.000	0.000	7.500	0.000	-0.014	0.000	7.486
Pooled / Partnership Funds	0.000	7.612	-3.151	0.524	4.985	0.000	-1.077	0.340	4.248
Renewals Reserves	2.434	-2.189	-1.185	1.015	0.075	0.175	0.000	0.375	0.625
Ringfenced Reserves	0.000	11.082	-1.885	1.741	10.938	0.840	-1.651	2.296	12.423
Short Term Grants	4.319	0.000	-4.241	3.256	3.334	0.000	-3.334	6.977	6.977
School Reserves	17.372	0.000	0.000	0.151	17.523	0.000	-2.425	0.000	15.098
Public Health (Grant)	6.028	-6.028	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Council Tax/Business Rates Risk	3.396	-3.396	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Budget Management	4.580	-4.580	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Service Reserve	7.103	-7.103	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adult & Community Services	7.391	-7.391	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Children & Young People	4.803	-4.803	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Public Health & Communities	0.424	-0.424	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fire and Public Safety	2.408	-2.408	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Growth, Highways and Infrastructure	12.970	-12.970	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate Services	1.079	-1.079	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Central Resources	16.278	-16.278	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Earmarked Reserves	113.376	-3.346	-28.300	19.956	101.685	2.600	-24.882	39.303	118.706
Total Revenue Reserves	181.088	0.000	-32.916	19.956	168.128	0.000	-33.526	46.159	180.761
Capital Reserves									
Capital Grants Unapplied (Reserve)	0.287	0.000	-0.171	0.000	0.116	0.000	0.000	0.000	0.116
Capital Contributions Unapplied (Reserve)	2.947	0.000	-0.602	0.810	3.155	0.000	-0.539	6.317	8.933
Capital Receipts Reserve	10.462	0.000	-8.997	7.203	8.668	0.000	-3.957	7.657	12.368
Total Capital Reserves	13.696	0.000	-9.770	8.013	11.939	0.000	-4.496	13.974	21.417
Total Usable Reserves	194.783	0.000	-42.686	27.969	180.067	0.000	-38.022	60.133	202.178

Notes to the Core Statements

Purpose of the Reserves

The general fund is the reserve of last resort, to be deployed only when other reserves and sources of funding have been exhausted, by either Cabinet or the Council for any purpose within the legal power of the Council.

The risk reserve exists to enable the Council to deal with and manage in-year financial pressures.

The earmarked reserves are used to fund specific commitments or set aside for anticipated projects and programmes within services.

The earmarked reserves include:

- The Capital Financing revenue reserve is held to help fund the costs of financing past, current and future capital expenditure.
- Corporate Priorities reserve is held to provide resources for one-off spend required to deliver the Council's priorities, obligations and duties.
- Earmarked capital reserves are held to fund specific projects and programmes.
- Earmarked revenue reserves are held to fund specific commitments or set aside for anticipated projects and programmes.
- The Insurance reserve is held to meet the potential for further insurance claims that might arise in relation to previous years and uninsured losses.
- Pooled/Partnership funds are balances held by the Council under agreements with other bodies, the application of which requires consultation with, or the consent of, those bodies.
- Renewals reserves are used to support the financing of the renewal of the Council's short life assets.
- Ringfenced reserves are bound by legal or other restrictions which require them to be spent on certain areas of council services, for example, Public Health grant.
- Where grant income has been received for a specific purpose but has not yet been applied and has no liability to repay, this has been transferred to the short-term revenue grants reserve.
- The Council is required to disclose any unspent balances held by schools, which is shown as schools' balances.

Capital reserves are held to finance spend on non-current assets. They include:

- The Capital Receipts reserve which holds income from the sale of non-current assets.
- Capital grants and contributions that have been received and have not yet been used to finance capital spend, are held in the capital contributions unapplied reserve and the capital grants unapplied reserve.

Notes to the Core Statements

9. Other Operating Expenditure

2023 - 2024		2024 - 2025
£ million		£ million
0.850	Payments to the Environment Agency	0.850
0.488	Payments to the Eastern Inshore Fisheries and Conservation Authority	0.499
-0.925	Gains(-)/losses on trading operations	0.014
18.005	Losses on the disposal of non-current assets	18.662
18.418	Total	20.025

10. Financing and Investment Income and Expenditure

2023 - 2024		2024 - 2025
£ million		£ million
25.920	Interest payable and similar charges	28.692
-1.067	Net Interest on the net defined benefit liability (note 33)	10.255
-2.453	Interest receivable and similar income	-2.845
-1.500	Other investment income - dividend receivable	-0.650
0.175	Impairment Gains (-)/ Losses on long & short term investments and long term debtors	-0.083
21.075	Total	35.369

11. Taxation and Non-Specific Grant Income

2023 - 2024		2024 - 2025
£ million		£ million
-394.844	Council tax income	-420.935
-137.087	Non domestic rates	-146.986
-124.836	Non-ringfenced government grants (note 25)	-145.102
-5.255	Donated Assets	-15.599
-58.163	Capital grant and contributions (note 25)	-61.281
-720.186	Total	-789.902

Notes to the Core Statements

12. Property, Plant and Equipment

Movements in 2024-25:						
	Other Land and Buildings £ million	Vehicles, Plant & Equipment £ million	Surplus Assets £ million	Right-of-Use Assets £ million	Assets Under Construction £ million	Total Other Property, Plant and Equipment £ million
Cost or Valuation						
At 1 April 2024	824.234	53.607	19.461	0.000	120.879	1,018.178
Opening Asset Adjustment - Right of Use Assets				5.495		5.495
Opening Donated Assets - Right of Use Assets				5.684		5.684
Opening Reclassification - Right of Use Assets	-3.379			3.379		0.000
Historic Rounding Corrections						0.003
Revised Cost or Valuation						
At 1 April 2024	820.855	53.607	19.461	14.558	120.879	1,029.360
Restatements	-1.587					-1.587
Additions	17.489	3.974	0.015	1.503	3.116	26.095
Donations			5.160			5.160
Revaluation increases/(decreases) recognised in the Revaluation Reserve	3.374		2.618	3.970		9.962
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	-12.760		0.312	-1.745		-14.193
Derecognition - Disposals	-18.338	-6.112	-3.350			-27.800
Assets reclassified (to) / from Held for Sale	-3.234					-3.234
Other movements in Cost or Valuation	0.423		1.062		-117.876	-116.391
At 31 March 2025	806.222	51.469	25.277	18.286	6.118	907.372
Accumulated Depreciation and Impairment						
At 1 April 2024	22.266	33.497	0.140	0.000	0.000	55.900
Historic Rounding Corrections						0.003
Revised Accumulated Depreciation and Impairment						
At 1 April 2024	22.266	33.497	0.140	0.000	0.000	55.903
Restatements	-0.214					-0.214
Depreciation charge	22.536	4.659	0.166	1.777		29.138
Depreciation written out to the Revaluation Reserve	-15.343					-15.343
Depreciation written out to the Surplus/Deficit on the Provision of Services	-3.498			-0.183		-3.680
Derecognition - Disposals	-0.942	-6.055	-0.385			-7.382
Other movements in Depreciation and Impairment	-0.385		0.385			0.000
At 31 March 2025	24.420	32.101	0.306	1.595	0.000	58.422
Net Book Value						
At 31 March 2025	781.802	19.367	24.972	16.692	6.118	848.950
At 31 March 2024	801.968	20.110	19.321	0.000	120.879	962.278

Notes to the Core Statements

Movements in 2023 - 2024:					
	Other Land and Buildings £ million	Vehicles, Plant & Equipment £ million	Surplus Assets £ million	Assets Under Construction £ million	Total Other Property, Plant and Equipment £ million
Cost or Valuation					
At 1 April 2023	810.851	49.987	18.406	90.335	969.577
Restatements	-0.440				-0.440
Additions	21.369	8.026	0.483	38.984	68.862
Donations	0.500				0.500
Revaluation increases/(decreases) recognised in the Revaluation Reserve	12.868		-0.506		12.362
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	-9.173		-0.432		-9.606
Derecognition - Disposals	-19.684	-4.406	-0.230		-24.320
Assets reclassified (to) / from Held for Sale	0.000		1.243		1.243
Other movements in Cost or Valuation	7.943		0.497	-8.440	0.000
At 31 March 2024	824.234	53.607	19.461	120.879	1,018.178
Accumulated Depreciation and Impairment					
At 1 April 2023	30.217	32.778	0.065	0.000	63.057
Restatements	0.000				0.000
Depreciation charge	21.078	5.108	0.095		26.281
Depreciation written out to the Revaluation Reserve	-25.389		-0.021		-25.410
Depreciation written out to the Surplus/Deficit on the Provision of Services	-2.152		-0.110		-2.262
Derecognition - Disposals	-1.330	-4.389	-0.047		-5.766
Other movements in Depreciation and Impairment	-0.158		0.158		0.000
At 31 March 2024	22.266	33.497	0.140	0.000	55.900
Net Book Value					
At 31 March 2024	801.968	20.110	19.321	120.879	962.278
At 31 March 2023	780.634	17.209	18.341	90.335	906.520

Notes to the Core Statements

Capital Commitments

At 31 March 2025, the Council has committed to a programme for the construction or enhancement of Property, Plant and Equipment in 2025 - 2026 and future years, budgeted to cost £219.554 million. Similar commitments at 31 March 2024 were £259.476 million. The commitments with a value greater than £5.000 million are:

Increasing School Capacity	£69.724 million
A12 East of Ipswich (MRN)	£57.257 million
Active Travel	£12.067 million
Climate Emergency Capital Investment	£8.861 million
Household Waste and Recycling Centres	£8.227 million
Early Years and Childcare	£7.191 million
SEND programmes	£7.087 million
Local Electric Vehicle Infrastructure	£6.696 million

Right-of-Use Assets

Effective from 1 April 2024 the Council is required to account for leases in accordance with IFRS 16. The adoption of this accounting treatment requires leases previously accounted for as operating leases under IAS 17, to be brought onto the balance sheet with a liability and a corresponding right-of-use asset. The right-of-use assets are included within Property, Plant and Equipment and have been added to the table above for 2024 - 2025. The Code requires IFRS 16 to be applied retrospectively but with the cumulative effect recognised at 1 April 2024; there is no requirement to restate the previous year.

The Other Property, Plant and Equipment table above shows three adjustments to the opening balance with regards to take on of right-of-use assets, which consist of:

- £5.495 million addition of right-of-use assets with a measurement derived from the lease liability.
- £5.684 million addition of right-of-use assets for peppercorn, nominal payments or nil consideration leases which have been measured at fair value and recognised as donated assets as per requirements of the Code.
- £3.379 million of assets previously recognised in Other Land and Buildings as finance leases which have been reclassified as right-of-use assets.

The result is a £14.558 million balance as at 1 April 2024 for the Right-of-Use Assets category, with £11.179 million of this being an increase in the overall opening balance of Property, Plant and Equipment and £3.379 million being a reclassification from Other Land and Buildings.

Valuations

The Council carries out a rolling programme that revalues all Property and Surplus assets on a five-year basis. However, in 2015 - 2016, due to a change in valuation requirement of surplus assets, all assets in this category were revalued so that as at 31 March 2016 they were all held at fair value in accordance with IFRS 13. Going forward any assets newly classified in the surplus category must be valued to fair value in year, all others have been added to the five-year cycle. Where valuations have taken place as part of the main valuation schedule, properties have been valued as at 31 March 2025. The Council's property consultants, Concertus Design and Property Consultants, appointed Lambert Smith Hampton as the valuers for 2024 - 2025. Valuations were carried out by Lambert Smith Hampton in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Bruton Knowles were appointed valuers for the County Farms Estate. A desktop valuation was performed for the Great Blakenham Waste Facility.

All the valued operational properties have been on the Value in Existing Use method. In some cases where part or all of a property is considered to be of a specialist nature, for which there is inadequate market evidence of value in existing use, the value has been calculated on a Depreciated Replacement Cost (DRC) basis. The DRC has been calculated having regard to the prospect and viability of the continuance of the use at the valuation date.

All surplus assets (and Assets Held for Sale as per note 14) have been valued at Fair Value in accordance with IFRS13. The fair value hierarchy categorises three levels of inputs to valuation techniques to measure fair value as detailed below:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities.

Notes to the Core Statements

- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – fair value is determined using unobservable inputs.

All surplus assets were valued using Level 3 valuation inputs. The valuations were arrived at by using the Comparison method or Residual method. The Comparison method involves the use of existing market data as a guide to the value of a similar asset and adjustments made to reflect the actual characteristics of the property. The Residual method of valuation was used to support the valuation on development sites which means identifying the potential use of the site, and then deducting the cost of development to identify the best bid that a market participant could reasonably be expected to make for the site.

Vehicles, Plant and Equipment and Community assets are held at historic cost.

Right-of-use assets will be subsequently measured using the cost model where it is considered reasonable to do so. Otherwise, the assets will be subsequently measured on the same basis that the underlying assets would be valued if owned by the authority for the rights the Council as the lessee has acquired.

	Other land and buildings £ million	Vehicles, Plant, Equipment £ million	Surplus Assets £ million	Right of Use £ million	Total £ million
Carried at historical cost	0.043	51.469	0.000	4.660	56.172
Value at fair value in:					
2024-25	190.190	0.000	10.070	13.626	213.886
2023-24	222.020	0.000	1.569	0.000	223.589
2022-23	250.037	0.000	6.832	0.000	256.870
2021-22	84.150	0.000	4.396	0.000	88.546
2020-21	59.782	0.000	2.410	0.000	62.192
Total Cost or Valuation	806.222	51.469	25.277	18.286	901.255

Assets under construction are not part of the valuation rolling programme until the asset becomes operational.

Infrastructure Assets

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.

The Council 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 make economic or other decisions relating to infrastructure assets.

Infrastructure assets	2023-2024 £ million	2024-2025 £ million
Net book value (modified historical cost)		
At 1 April	693.570	708.185
Additions	39.783	68.099
Derecognition	0.000	-2.299
Depreciation	-25.168	-27.102
Other movements in cost	0.000	116.391
Net book value		
At 31 March	708.185	863.274

The £116.391 million 'Other movements in cost' for 2024 – 2025 relate to the reclassification of assets from Assets Under Construction, shown in the other Property, Plant and Equipment table above, now the assets have become operational.

Notes to the Core Statements

The Council has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

The table below shows the breakdown of the Property, Plant and Equipment line of the Balance Sheet.

	31 March 2024 £ million	31 March 2025 £ million
Net book value		
At 31 March		
Other PPE assets	962.278	848.950
Infrastructure assets	708.185	863.274
Total PPE assets	1,670.463	1,712.224

13. Intangible Assets

31 March 2024		31 March 2025
Intangible Assets £ million		Intangible Assets £ million
13.157	Balance at start of year: comprising	
-8.721	Gross carrying amount	13.847
	Accumulated amortisation	-10.460
4.436	Net carrying amount at start of year	3.387
0.689	Additions	0.766
-1.101	Disposals	-2.644
1.101	Disposal Amortisation	2.642
-1.738	Amortisation for the period	-1.503
-1.049	Net movement during the year	-0.740
	Balance at end of year: comprising	
12.745	Gross carrying amount	11.968
-9.358	Accumulated amortisation	-9.321
3.387		2.647

14. Assets Held for Sale

31 March 2024 £ million		31 March 2025 £ million
2.710	Balance at start of year	0.816
	Assets newly classified as held for sale:	
0.616	Property, Plant and Equipment	3.234
	Assets declassified as held for sale:	
-1.858	Property, Plant and Equipment	0.000
-0.654	Assets sold	-0.090
0.002	Other movements	0.000
0.816	Balance at end of year	3.960

Notes to the Core Statements

15. Short Term Debtors

31 March 2024		31 March 2025	
£ million		£ million	
20.265	Central government bodies	21.886	
16.215	Other local authorities	12.215	
6.538	NHS bodies	5.942	
74.986	Other entities and individuals	75.740	
11.623	Council Tax receivable from ratepayers	13.239	
4.592	Business Rates receivable from ratepayers	3.148	
134.219	Total	132.170	

The Other entities and individual's category in 2024 - 2025 includes payments over £1 million in relation to: income due for waste services, income due for homecare services, where individuals make contributions towards their care provision, as well as prepayments made to care providers. Homecare providers are paid on a four-weekly basis. Therefore, the timing of the payment spans over 31 March 2025, hence leading to a debtor being shown at the balance sheet date. The category also includes income due from the Council renting out buildings and prepayments for IT support contracts.

16. Cash and Cash Equivalents

31 March 2024		31 March 2025	
£ million		£ million	
2.415	Bank current accounts	0.407	
2.415	Total	0.407	

The Council has an agency arrangement in place to hold funds on behalf of third parties, which are included in the cash balance above. Details of the amounts held at 31 March 2025 are detailed in the table below:

Notes to the Core Statements

31 March 2024		31 March 2025
£ million		£ million
0.509	Collaborative Communities Board	0.107
0.444	Dedham Vale National Landscape and Stour Valley Joint Advisory Committee	0.431
0.178	East Suffolk Lines Community Rail Partnership	0.164
0.890	Environment Agency	1.248
0.582	Emergency Planning	0.617
0.022	EU Withdrawal Funding	0.000
0.000	Greater Anglia	0.048
1.157	Halesworth Campus Ltd	1.400
0.437	Historic Environment Partnership	0.368
1.273	Ipswich and East Suffolk Health and Care Alliance Fund	1.281
0.145	Ipswich and East Suffolk Integrated Care Board	0.105
2.161	Integrated Care Boards Commission Services (Children's)	1.272
0.023	Ministry of Defence	0.014
0.525	Monies held on behalf of looked after children	1.075
1.554	Monies held on behalf of vulnerable adults	0.613
0.000	National Grid	0.058
-0.155	National Lottery	0.174
0.029	Natural England	0.029
24.417	New Anglia Local Enterprise Partnership	0.060
0.012	Norfolk & Waveney Integrated Care Board	0.012
0.198	Nuclear Legacy Advisory Forum	0.202
0.072	Opportunity Development Funding	0.070
0.242	Sector Lead Improvement - Children's Services	0.000
0.562	Suffolk & Essex Coast & Heaths National Landscape Joint Advisory Committee	0.644
12.581	Suffolk & North East Essex Integrated Care Board	1.100
0.339	Suffolk Climate Change Partnership	0.207
19.958	Suffolk Public Sector Leaders Business Rates Pool	11.045
0.114	Suffolk Waste Partnership	0.148
0.658	Transforming Suffolk	0.557
0.878	Transport East	0.488
0.396	West Suffolk Health and Care Alliance Fund	0.312
-0.165	Other (Balances less than £0.100 million)	0.016
70.038		23.865

17. Short Term Creditors

31 March 2024		31 March 2025
£ million		£ million
-39.729	Central government bodies	-33.910
-26.120	Other local authorities	-18.311
-16.993	NHS bodies	-11.064
-94.514	Other entities and individuals	-79.670
-10.189	Council Tax payable to taxpayers	-11.310
-2.635	Business Rates payable to ratepayers	-2.945
-190.180	Total	-157.210

The Other entities and individual's category in 2024 - 2025 includes monies due over £1 million in relation to: home to school passenger transport providers, purchased children's placements and contractors providing services for highways. It also includes receipts in advance over £1 million for: payment for registrar's ceremony services, IT network services and support, Sizewell C highway approval and inspection fees. The category also includes monies held on behalf of 3rd parties and monies due to contractors for transport strategy and work on various capital schemes.

Notes to the Core Statements

18. Provisions

Provisions are recognised where the Council has a legal or constructive obligation arising from a past event, that will probably require settlement by a transfer of economic benefits and a reliable estimate can be made of the amount of the obligation. The provisions are split into current (due within 12 month) and non-current in the tables below.

Current Provisions

	Other Provisions £ million
Balance at 1 April 2024	-6.871
Additional provisions made in 2024 - 2025	-6.643
Amounts used in 2024 - 2025	0.092
Unused amounts reversed in 2024 - 2025	5.972
Balance at 31 March 2025	-7.450

Other Provisions

There are four provisions included within the current balance. Benefits Payable during Employment (£6.619 million), redundancy (£0.110 million), water hydrants (£0.040 million) and Early Years assets (£0.681 million).

Benefits Payable during Employment refers to benefits that employees receive as part of their contract of employment and entitlements, that are built up as they work for the Council. The most significant benefit covered by this heading is holiday pay.

The Government has issued regulations that mean local authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Therefore, amounts are transferred to the Accumulated Absences Account on the Balance Sheet until the benefits are used. The accrual is charged to the Deficit on the Provision of Services within the Comprehensive Income and Expenditure Account, then reversed out through the Movement in Reserves Statement, in order that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs. The £6.619 million is made up of £2.378 million which relates to teachers working in schools, which is governed by where the end of term falls in relation to 31 March 2025 and £4.241 million which relates to all other Council employees.

The redundancy provision reflects the potential costs of redundancy settlements where individuals will be made redundant or an offer of redundancy has been accepted prior to the end of the financial year but will not leave the Council until the following financial year.

The provision for water hydrants, utilised by the Fire Service, relates to the potential cost of maintenance work by water companies.

The provision for Early Years assets, is a potential return of capital grant funding to the Department for Education (DfE). The grant was utilised in line with grant conditions in prior years, but the change in use of assets within a set time period, is under review with the DfE to determine if grant should be returned.

Non-current Provisions

	Injury and Damage Compensation Claims £ million
Balance at 1 April 2024	-3.771
Additional provisions made in 2024 - 2025	-0.394
Balance at 31 March 2025	-4.165

Notes to the Core Statements

Injury and Damage Compensation Claims

The provision is an estimate of claims relating to motor, public liability and employers' liability insurance. There has been minimal change from 2023 - 2024 as expected, some older claims were concluded and some new claims have been received.

Most of the claims on an individual basis are financially insignificant, however significant claims are subject to a deductible (excess) with any costs incurred above this being reimbursed by the insurer if it is breached.

19. Unusable Reserves

31 March 2024 £ million	Unusable Reserves	31 March 2025 £ million
231.454	Revaluation Reserve	243.529
517.131	Capital Adjustment Account	528.672
-207.500	Pensions Reserve	-201.988
3.391	Collection Fund Adjustment Account	2.133
-5.930	Accumulated Absences Account	-6.619
-0.682	Pooled Investment Fund Adjustment Account	-0.599
-54.101	Dedicated Schools Grant Adjustment Account	-97.638
12.000	Deferred Capital Receipts Reserve	8.516
-18.734	Financial Instrument Adjustment Account	-18.288
477.028	Total Unusable Reserves	457.719

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

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

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2024 £ million	Revaluation Reserve	31 March 2025 £ million
207.642	Balance at 1 April	231.454
-0.440	Restatements	-1.124
37.772	Revaluation of assets	25.304
244.974	Surplus on revaluation of non-current assets not posted to the Deficit on the Provision of Services	255.634
-5.752	Difference between fair value depreciation and historical cost depreciation	-7.294
-7.768	Accumulated gains on assets sold or disposed of	-4.811
-13.520	Amount written off to the Capital Adjustment Account	-12.105
231.454	Balance at 31 March	243.529

Notes to the Core Statements

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

31 March 2024 £ million		Capital Adjustment Account	31 March 2025 £ million
500.330	Balance at 31 March		517.131
0.000	Restatements		-0.250
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Account:</u>		
-60.530	Charges for depreciation, revaluations and impairment of non-current assets		-68.255
-17.593	Revenue expenditure funded from capital under statute		-22.503
-19.208	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 Account		-22.809
-97.331			-113.818
13.520	Adjusting amounts written out of the Revaluation Reserve		12.105
-83.811	Net written out amount of the cost of non-current assets consumed in the year		-101.713
	<u>Capital financing applied in the year:</u>		
8.997	Use of the Capital Receipts to finance new capital expenditure		3.957
69.190	Capital grants and contributions credited to the Comprehensive Income and Expenditure Account that have been applied to capital financing		71.976
12.033	Statutory provision for the financing of capital investment charged against the General Fund		13.425
5.137	Capital expenditure charged against the General Fund		8.297
95.357			97.655
5.255	Income related to Donated Assets Account credited to the Comprehensive Income and Expenditure Account		15.599
517.131	Balance at 31 March		528.672

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. When there is a deficit on the Pensions Reserve it indicates a 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 are to be paid.

Notes to the Core Statements

Pensions Reserve		
31 March 2024		31 March 2025
£ million		£ million
-196.096	Balance at 1 April	-207.500
-17.473	Remeasurement of the net defined benefit liability	3.756
-42.512	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 Account	-49.797
48.581	Employer's pensions contributions and direct payments to pensioners payable in the year	51.553
-207.500	Balance at 31 March	-201.988

Collection Fund Adjustment Account

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

Collection Fund Adjustment Account		
31 March 2024		31 March 2025
£ million		£ million
6.236	Balance at 1 April	3.391
-2.845	Amount by which council tax income and business rates are credited to the Comprehensive Income and Expenditure Account is different from council tax income and business rates calculated for the year in accordance with statutory requirements	-1.258
3.391	Balance at 31 March	2.133

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March 2025. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account		
31 March 2024		31 March 2025
£ million		£ million
-6.057	Balance at 1 April	-5.930
6.057	Settlement or cancellation of accrual made at the end of the preceding year	5.930
-5.930	Amounts accrued at the end of the current year	-6.619
0.127	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Account on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-0.688
-5.930	Balance at 31 March	-6.619

Pooled Investment Fund Adjustment Account

The Pooled Investment Fund Adjustment Account is a revaluation reserve utilised to manage the fair value changes in those financial assets held as interests in Pooled Investment Funds. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account. The balance reflects the gain or loss on those assets at 31 March 2025.

Pooled Investment Fund Adjustment Account		
31 March 2024		31 March 2025
£ million		£ million
-0.505	Balance at 1 April	-0.682
-0.177	Change in Investments not charged to the Surplus/Deficit on Provision of Services	0.083
-0.682	Balance at 31 March	-0.599

Notes to the Core Statements

Dedicated Schools Grant Adjustment Account

In November 2020, the secretary of state for the Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The instrument followed from the School and Early Years Finance (England) Regulations 2020, applicable to local authority accounting periods beginning on 1 April 2020, that set out 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 general resources. The instrument established new accounting practices in relation to the treatment of local authorities' schools budget deficits. Where a local authority has a deficit on its schools budget relating to its accounts, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. As a result, the deficit of £97.638 million at 31 March 2025 is held in an unusable reserve shown in the table below. Note 24 provides further detail on the DSG spend in year.

Dedicated Schools Grant Adjustment Account			
31 March 2024			31 March 2025
£ million			£ million
-27.739	Balance at 1 April		-54.101
-26.362	Transfer of overspend to Reserve		-43.536
<u>-54.101</u>	Balance at 31 March		<u>-97.638</u>

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve details those capital receipts which were recognised in the gain or loss on disposal, but where the cash is not to be received until a future year. The capital receipt cannot be used to finance capital spend until the cash is received, which is why this unusable reserve is required. The reserve was established in 2020 – 2021 as the sale of development land at Chilton Woods was the first material sale of this nature with the receipt being paid in instalments over a number of years. In 2024 – 2025 the former St Felix Middle School site was transferred to Edmundham Developments LLP for a housing development scheme. The agree sale price will be paid to the Council in future years following sufficient progress in the development.

Deferred Capital Receipts Reserve			
31 March 2024			31 March 2025
£ million			£ million
17.950	Balance at 1 April		12.000
0.000	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		2.466
-5.950	Transfer to the capital receipts reserve on receipt of cash		-5.950
<u>12.000</u>	Balance at 31 March		<u>8.516</u>

Financial Instrument Adjustment Account

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 that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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. In 2021 – 2022 the Council arranged the repayment of £30.000 million of LOBO loans with Commerzbank, resulting in a premium of £20.072 million. The remaining life of the loans was 45 years giving an annual impact to the General Fund balance of £0.446 million. The table below shows the 2024 – 2025 amortisation of the premium and the balance remaining.

Financial Instrument Adjustment Account			
31 March 2024			31 March 2025
£ million			£ million
-19.180	Balance at 1 April		-18.734
0.446	Amortised premiums		0.446
<u>-18.734</u>	Balance at 31 March		<u>-18.288</u>

Notes to the Core Statements

20. Pooled Budgets

The Pooled Fund for services to people with Mental Health conditions

From 1 April 2002, Suffolk County Council and the Integrated Care Boards (ICBs), operating in Suffolk (Suffolk & North East Essex and Norfolk & Waveney) have pooled money through the Section 75 agreement of the National Health Services Act 2006. This is spent on helping to put into practice the National Service Framework for Mental Health and the best value review of mental health residential care, supported housing and support work services.

The main aims are to:

- Increase the availability of community support, educational and work opportunities for service users.
- Develop the range, quantity and quality of housing and support services for service users.
- Develop alternatives to hospital and respite care facilities.
- Improve the overall health and wellbeing of people with mental health conditions living in the community.
- Train people, to give them skills to live more independently.

The income and expenditure figures below reflect the overall position of the pooled fund, not just that of the Council. The Mental Health Pooled Fund spent the full allocation of funding in 2024 - 2025.

The table below details income and expenditure for the year.

2023 - 2024			2024 - 2025	
£ million	£ million		£ million	£ million
		Income		
-2.206		Suffolk County Council	-2.337	
-1.341		Integrated Care Boards	-1.421	
	-3.547			-3.758
		Expenditure		
0.036		Staffing	0.036	
0.182		Support Work	0.188	
2.986		Supported Housing	3.185	
0.100		Advocacy	0.100	
0.100		Direct Payments	0.100	
0.143		Other Projects	0.148	
	3.547			3.758
	0.000	Net under (-) or over spend		0.000

The Better Care Fund

The Better Care Fund was introduced by the Government to encourage more collaborative working. It brings together funding and spending from Integrated Care Boards (ICBs), the County Council and District & Borough Councils. It is primarily an instrument for information sharing and planning, with funding and spending maintained by the respective partners except in cases of agreed funding transfers. Each partner can retain any underspends to be used in year or carried forward. Entries in the Council's financial system relate only to the share of the Pool that is controlled by the Council. The table below reflects all funding and spend across the partners. All Better Care Fund schemes are signed off by the Health and Wellbeing Board and the Council has a legal agreement with each of the ICBs under Section 75 agreement of the National Health Services Act 2006. This gives powers to local authorities and ICBs to establish and maintain pooled funds to carry out local authority and NHS functions.

Notes to the Core Statements

2023 - 2024		Overall Summary		2024 - 2025	
£ million	£ million			£ million	£ million
-99.801		Income	Contribution to BCF	-109.100	
-7.612		Funding:	Revenue	-8.688	
			Capital		
	-107.413				-117.788
		Expenditure			
99.800			Revenue	109.100	
6.901			Capital	6.645	
	106.701				115.745
	-0.712	Net under (-) or over spend			-2.043

Summary of income and expenditure by area for revenue and capital expenditure combined:

2023 - 2024		Detailed Summary - Revenue & Capital		2024 - 2025	
£ million	£ million			£ million	£ million
-63.952		Income	Contribution to BCF	-69.056	
-36.165		Funding:	Suffolk County Council	-40.699	
-7.296			Suffolk & North East Essex Integrated Care Board	-8.033	
			Norfolk & Waveney Integrated Care Board		
	-107.413				-117.788
		Expenditure			
34.225			Ipswich & East Better Care Fund	36.162	
15.403			Ipswich & East Improved Better Care Fund	15.403	
3.676			Ipswich & East Discharge Fund	6.532	
3.155			Ipswich & East Capital	2.489	
19.149			West Better Care Fund	20.233	
8.006			West Improved Better Care Fund	8.006	
2.356			West Discharge Fund	4.289	
1.983			West Capital	1.952	
9.852			Waveney Better Care Fund	10.410	
5.598			Waveney Improved Better Care Fund	5.598	
1.535			Waveney Discharge Fund	2.466	
1.763			Waveney Capital	2.204	
	106.701				115.745
	-0.712	Net under (-) or over spend			-2.043

Notes to the Core Statements

21. Councillors' Allowances

Amounts paid to the Council's elected Councillors are shown below:

2023 - 2024 £ million		2024 - 2025 £ million	
0.912	Basic allowance	0.934	
0.374	Special responsibility allowance	0.384	
0.054	Expenses	0.050	
1.340	Total	1.368	

22. Officers' Remuneration

The Accounts and Audit Regulations 2015 and paragraph 3.4.5.1 of the Code require the disclosure of the remuneration of higher paid officers.

The regulations require a note showing the number of employees whose total remuneration is £50,000 or more, in bands of £5,000. In addition, the regulations require a disclosure on individual remuneration for senior officers. The Council defines senior officers to be statutory posts and directors.

Employees' pay is defined in the latest Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025. This definition includes the following:

- Gross pay (before the deduction of employees' pension contributions)
- Payments in relation to the ending of employment
- Expense allowances chargeable to tax and other benefits (as declared on HM Revenue & Customs form P11D)

The table overleaf details the pay of senior officers.

Notes to the Core Statements

Dates	Job Title	Notes	Salary, Fees & Allowances (Gross Pay)	Expense Allowances Chargeable to Tax	Compensation for loss of office	Pension Contribution (Employer)	Total
2024 - 2025							
01/04/2024 - 31/03/2025	Chief Executive - Nicola Beach		197,729	0	0	37,680	235,409
01/04/2024 - 31/03/2025	Deputy Chief Executive / Director of Corporate Services		147,408	650	0	26,354	174,412
06/07/2024 - 31/03/2025	Executive Director of Children and Young People's Services	1	117,021	0	0	21,471	138,492
01/04/2024 - 31/03/2025	Executive Director of Growth, Highways and Infrastructure - Andrew Cook		154,099	0	0	29,895	183,994
06/01/2025 - 31/03/2025	Executive Director - Adult Social Care	2	33,118	0	0	6,425	39,543
01/04/2024 - 29/08/2024	Director of Adult & Community Services	3	56,199	0	140	10,903	67,242
01/04/2024 - 31/03/2025	Director of Fire & Public Safety / Chief Fire Officer		143,022	0	0	53,776	196,798
01/04/2024 - 31/03/2025	Director of Public Health		126,820	0	0	24,603	151,423
01/04/2024 - 31/03/2025	Chief Financial Officer (S151 Officer)		114,230	0	0	22,161	136,391
01/04/2024 - 31/03/2025	Monitoring Officer and Assistant Director of Governance, Legal and Assurance		112,349	0	0	21,796	134,145

In line with the CIPFA Code of Practice, the disclosure of remuneration by category has been made by reference to individuals, with the following provisos:

- Where the senior employee's salary is £150,000 or more per year, they have been identified by name and job title;
- Where the senior employee's salary is less than £150,000, only their job title has been disclosed.

Notes to the Core Statements

Dates	Job Title	Notes	Salary, Fees & Allowances (Gross Pay)	Expense Allowances Chargeable to Tax	Compensation for loss of office	Pension Contribution (Employer)	Total
2023 - 2024							
01/04/2023 - 31/03/2024	Chief Executive - Nicola Beach		192,906	0	0	35,384	228,290
10/07/2023 - 31/03/2024	Deputy Chief Executive / Director of Corporate Services	4	104,380	0	0	20,250	124,630
01/04/2023 - 31/03/2024	Executive Director of Growth, Highways and Infrastructure		145,340	0	0	28,196	173,536
01/04/2023 - 31/03/2024	Director of Adult & Community Services		133,308	0	0	25,862	159,170
01/04/2023 - 31/03/2024	Director of Fire & Public Safety / Chief Fire Officer	5	147,521	4,000	0	42,486	194,007
01/04/2023 - 31/03/2024	Director of Public Health		123,727	0	0	24,003	147,730
01/04/2023 - 31/03/2024	Chief Financial Officer (S151 Officer)		109,609	0	0	21,264	130,873
01/04/2023 - 31/03/2024	Monitoring Officer and Assistant Director of Governance, Legal and Assurance		109,136	0	0	21,221	130,357

In line with the Code of Practice, prior figures are only required for employees qualifying for the current year note, not for persons who left the Council in the prior year. As a result, the above table will not match precisely to corresponding table in the 2023 - 2024 Statement of Accounts.

Notes to the Core Statements

- **Note 1:** The new Executive Director of Children and Young People's Services was appointed on 06 July 2024.
- **Note 2:** The new Executive Director of Adult Social Care was appointed on 06 January 2025.
- **Note 3:** The Director of Adult & Community Services left the Council's employment on 29 August 2024. The position was filled on an interim basis until a permanent appointment was made.
- **Note 4:** The new Deputy Chief Executive / Director of Corporate Services was appointed on 10 July 2023.
- **Note 5:** 2023 - 2024 Gross Pay for the Director of Fire & Public Safety / Chief Fire Officer includes back pay relating to 2022 - 2023 following agreement of the National Pay Award.

The Local Government Pension Scheme (LGPS) is a statutory scheme and employer's contributions are assessed by the actuary at each triennial valuation. The employer's contribution rate was 19.4% in 2024 – 2025 (2023 - 2024 19.4%).

The Firefighters' Pension Scheme is a statutory scheme and employer contributions are assessed by the Government Actuary Department. The 2024 – 2025 contribution rate was 37.6% (28.8% 2023 – 2024) for the 2015 scheme. The scheme is unfunded, meaning that there are no investments built up to meet the pension liabilities and cash needs to be generated to meet actual pension payments as they fall due. Income is from employee's and employer's contributions as well as funding from Central Government.

The Council's other employees receiving more than £50,000 remuneration (excluding employer's pension contributions) in 2024 - 2025 are detailed in the table below.

Remuneration Band	2023 - 2024 No of employees Non-Schools	2024 - 2025 No of employees Non-Schools	2023 - 2024 No of employees Schools	2024 - 2025 No of employees Schools
£50,000 - £54,999	157	214	75	103
£55,000 - £59,999	176	156	33	51
£60,000 - £64,999	87	114	43	34
£65,000 - £69,999	44	68	30	28
£70,000 - £74,999	46	35	20	25
£75,000 - £79,999	24	42	10	18
£80,000 - £84,999	4	5	8	4
£85,000 - £89,999	6	4	5	8
£90,000 - £94,999	13	7	1	2
£95,000 - £99,999	7	4	0	2
£100,000 - £104,999	1	11	0	0
£105,000 - £109,999	3	4	0	0
£110,000 - £114,999	1	4	0	0
£115,000 - £119,999	2	1	1	0
£120,000 - £124,999	1	0	0	0
£125,000 - £129,999	0	0	0	1
£130,000 - £134,999	0	0	0	0
£135,000 - £139,999	0	0	0	0
£140,000 - £144,999	1	1	0	0
£145,000 - £149,999	0	0	0	0
£150,000 - £154,999	0	0	0	0
£155,000 - £159,999	0	1	0	0

The pay bands required to be disclosed in the table above are not index linked, unlike individuals' pay that may be subject to annual pay awards. The bands have therefore remained unchanged at this level since they were introduced in the Accounts and Audit Regulations 2003. The above numbers include officers who were made redundant during the 2024- 2025 financial year and whose remuneration may not have normally been included within the limits of the above table, but who have received a redundancy payment which increased their earnings to over the minimum of £50,000 or resulted in them being included in a higher band than their basic pay. In 2024 – 2025 Council employees were awarded a pay scale increment, therefore increasing the number of staff over the £50,000 band.

Notes to the Core Statements

23. External Audit Costs

In 2024 - 2025 the Council incurred the following fees relating to external audit.

2023 - 2024 £ million		2024 - 2025 £ million
0.267	Fees payable to external audit services carried out by the appointed auditor for the year	0.292
0.267	Total	0.292

The fee payable to external audit services, is required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements as set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The 2024 – 2025 audit is the second of the second five-year appointing period specified by Public Sector Audit Appointments (PSAA), covering 2023 – 2024 to 2027 – 2028.

24. Dedicated Schools Grant

The Council's expenditure on schools' budgets (as defined in the School and Early Years finance (England) Regulations 2020) is funded by grant monies provided by the Department for Education (DfE), through the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure included in a schools' budget. The schools' budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each school. Over and underspends on the two elements are required to be accounted for separately. An element of DSG is recouped when schools convert to academy status during the financial year.

Details of the deployment of DSG receivable for 2024 – 2025 are as follows:

	Central expenditure £ million	Individual schools budget £ million	Total £ million
Final DSG for 2024 - 2025 before academy and high needs recoupment			723.178
Academy and high needs figure recouped for 2024 - 2025			443.389
Total DSG after academy and high needs recoupment for 2024 - 2025			279.789
Agreed initial budgeted distribution in 2024 - 2025	97.368	182.421	279.789
In-year adjustments	0.000	-0.191	-0.191
Final budget distribution for 2024 - 2025	97.368	182.230	279.598
Less: Actual central expenditure	144.715		144.715
Less: Actual ISB deployed to schools		178.419	178.419
In-year carry-forward to 2025 - 2026	-47.347	3.810	-43.537
DSG unusable reserve at the end of 2023 - 2024			-54.101
Addition to DSG unusable reserve at the end of 2024 -2025			-43.537
Total of DSG unusable reserve at the end of 2024 - 2025			-97.638

Note 1 DSG is split into four blocks of funding when distributed to local authorities. These are Schools, High Needs, Early Years and Central Services blocks.

Note 2 The regulations from the DfE mandate that a DSG deficit may only be funded and recovered through DfE financial support and recovery arrangements. Any accumulated DSG deficit should be disclosed as an unusable reserve. Therefore, the Council will work with the DfE to continue to work on the recovery plan for this deficit.

Notes to the Core Statements

Note 3 In 2024 - 2025 the DfE's safety valve intervention programme continued to target local authorities with the highest DSG deficits. The programme requires the authorities involved to develop substantial plans for reform to their high-needs systems, with support and challenge from the department, to rapidly place them on a sustainable footing. Those local authorities with less severe but substantial deficits (such as Suffolk County Council) are part of the Delivering Better Value programme which commenced in 2022 - 2023. There are currently no timeframes involved to recover deficits; however it is therefore crucial that authorities' high-needs systems move to a more sustainable position, and DfE encourages authorities to fully engage with the support on offer through the safety valve, Delivering Better Value and Education and Skills Funding Agency programmes.

Note 4 For Local Authorities using the centralised National Non-Domestic Rates (NNDR) payment system (which Suffolk does): 'Academy and high needs figure recouped for 2024 - 2025' incorrectly includes deductions for maintained schools where the Education and Skills Funding Agency pay for NNDR. The note adds the deduction back to the total DSG after academy and high needs recoupment for 2024 - 2025.

25. Grant Income

The Council recognised the following revenue grants and contributions to the Comprehensive Income and Expenditure Statement. The table includes capital grants used to fund revenue expenditure funded from capital under statute, therefore included in the Net Cost of Services.

Grants credited to Taxation and Non Specific Grant Income:

	2023 - 2024 £ million	2024 - 2025 £ million
Credited to Taxation and Non Specific Grant Income		
Adult Social Care Discharge Fund	-4.067	-6.778
Eastern Inshore Fisheries Conservation Authority Support Grant	-0.114	-0.114
Improved Better Care Fund	-29.008	-29.008
Market Sustainability & Improvement Fund	-12.596	-14.269
New Homes Bonus	-0.899	-1.033
Revenue Support Grant	-18.914	-21.509
Rural Services Delivery Grant	-2.548	-2.950
Services Grant	-4.154	-0.717
Social Care Grant	-52.523	-68.711
Transparency Code	-0.013	-0.013
Total	-124.836	-145.102

Notes to the Core Statements

Grants credited to services:

	2023 - 2024 £ million Restated	2024 - 2025 £ million
Credited to Services		
Abbygate 6th Form College	-0.012	0.000
Active Travel Fund	-0.343	-1.307
Additional Drug & Alcohol Treatment	-0.958	-1.573
Drug & Alcohol: Individual Placement and Support	0.000	-0.158
Adult Learning	-2.755	-2.843
Afghan Interpreter Resettlement	-0.268	-0.668
Apprenticeship Levy	-1.107	-1.092
Basic Need Funding- Capital	0.000	-0.618
Bikeability	-0.222	-0.242
Building Safety Regulator Grant	-0.146	-0.125
Bus Service Improvement Plans Plus (BSIPP)	-0.179	-3.578
Bus Subsidy	-0.282	-0.754
Capability Fund	-0.884	-0.170
Childcare Expansion Grant	0.000	-0.178
Community Testing Funding	-0.001	-0.419
Contain Outbreak Management Fund	-1.292	-0.757
Core Schools Budget	0.000	-4.155
Dedicated Schools Grant (DSG)	-244.457	-277.462
Delivering Better Value	0.000	-0.489
Devolved Formula Capital	-0.085	-0.062
DSG Schools Supplementary Grant	-6.124	0.000
Disabled Facilities Grant- Capital	-7.612	-8.688
Domestic Abuse Duty Capacity Building Fund	-0.700	-0.782
Early Career Framework Mentor Training	-0.164	-0.201
Early Years Professional Development Programme	-0.227	-0.037
Energy from Waste Contract (Private Finance Initiative)	-7.864	-7.864
Enhanced Bus Partnership Capacity	-0.336	0.000
Extended Personal Adviser Duty Implementation	-0.164	-0.164
Extended Rights for Home to Schools Travel	-1.261	-1.481
Extension of the Role of Virtual School Heads to Certain Previously Looked after Children	-0.262	-0.243
Family Focus Initiative	-1.817	0.000
Family Hub Projects	-0.110	0.000
Fire - Private Finance Initiative	-2.193	-2.193
Fire and Rescue Firelink	-0.141	-0.094
Fire Pensions	-1.342	-0.914
Fire Protection Uplift	-0.104	-0.057
Green Home Grant	-0.666	-0.003
Healthwatch Suffolk	-0.194	-0.192
High Needs Grant- Capital	-2.186	-3.764
Holiday Activities and Food Programme	-2.255	-1.983
Home Upgrade Grant	-0.188	-1.147
Homes for Ukraine	-5.214	-2.755
Homes for Ukraine (Education)	-0.524	-0.266
Household Support Fund	-10.116	-10.228
Leaving Care Allowance Uplift Grant	-0.166	-0.166
Legal Aid, Sentencing and Punishment of Offenders (LASPO)	-0.266	-0.163
Local Electric Vehicle Infrastructure Capability (LEVI)	-0.346	-0.241
Local Nature Recovery Strategies - Seed funding	-0.196	-0.108
Local Reform and Community Voices	-0.274	-0.275
Local Stop Smoking Services and Support	0.000	-1.013
Local Transport Fund	0.000	-0.553
Multiply Project	-1.263	-1.514
Music Education Hubs	-0.939	-0.389
One Public Waste	0.000	-0.031
Physical Education and Sport Premium	-1.715	-1.589
Post Local Enterprise Partnership	0.000	-0.396
Property Flood Resilience Grant	0.000	-0.673
Public Health	-32.703	-33.251
Pupil Premium	-8.903	-8.011
School Condition Allocation - Capital	-0.292	-0.120
School Led Tutoring	-0.179	-0.005
Schools Sixth Form	-3.422	-3.368
Short Breaks Innovation Fund	-0.806	-0.812
Skills for the Future	0.000	-0.114
Social Care in Prisons	-0.237	-0.251
Social Care Reforms	-0.402	-0.311
Staying Close Children's Social Care Innovation Programme	-0.343	-0.343
Staying Put	-0.347	-0.347
Suffolk Retrofit Loan Scheme	0.000	-1.151
Supported Accommodation Reforms	-0.381	-1.225
Supporting Families	-0.293	-2.631
Syrian Resettlement Programme	-0.385	-0.362
Teacher Pay Grant	-1.924	-6.783
Treescape Fund - Capital	-0.024	-0.039
Turnaround	-0.181	-0.200
Unaccompanied Asylum Seeking Children (including Care Leavers)	-8.668	-7.986
Universal Infant Free School Meals	-2.838	-2.729
War Pensions Disregard	-0.169	-0.173
Water Environment Grant	-0.278	-0.474
Wrap Around	0.000	-1.326
Youth Justice	-0.856	-0.860
Other Revenue	-0.740	-0.951
Total	-374.291	-420.640

Notes to the Core Statements

The Council has received revenue grants which relate to the 2025 - 2026 financial year which are yet to be recognised as income. The balances held in short term creditors at the year end are:

	31 March 2024 £ million	31 March 2025 £ million
Revenue Grants Receipts in Advance		
Active Travel Fund	-0.299	-0.315
Active Travel – Social Prescribing	-0.720	-0.608
Afghan Interpreter Resettlement	-1.131	-1.569
Assessed and Supported Year in Employment (ASYE) Programme	-0.045	-0.038
Behaviour Change Fund 2023	-0.393	-0.274
Brownfield	-0.139	-0.280
Building Safety Regulator	-0.056	-0.092
Bus Service Improvement Plans Plus (BSIPP)	-1.699	0.000
Bus Subsidy	-0.333	-0.193
Capability Fund - Active Travel	-0.073	-0.022
Connect to Work	0.000	-0.095
Contain Outbreak Management Fund	-1.176	0.000
Delivering Better Value Grant Income	-0.276	-0.443
Domestic Abuse Duty Capacity Building Fund	-2.039	-2.728
Fire Protection Accreditation	-0.014	-0.013
Fire Protection Uplift	-0.029	-0.090
Holiday Activities and Food Programme	-0.379	-0.611
Homes for Ukraine	-9.302	-4.881
Homes for Ukraine (Education)	0.000	-3.880
Local Transport Fund	-0.553	0.000
Multiply Project	-0.205	-0.034
Pupil Premium	-0.088	0.000
Skills for Care	-0.005	-0.010
Social Work Teaching Partnership	-0.061	-0.059
Support for Planning of Developments	-0.250	-0.239
Syrian Resettlement Programme	-0.762	-0.473
Total	-20.030	-16.948

Notes to the Core Statements

The Council has received several capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies to be returned to the grantor or they relate to 2025 – 2026. The balances held in long term liabilities at the year end are:

	2023 - 2024 £ million	2024 - 2025 £ million
Capital Grants and Contributions		
Bellway Homes Ltd	-0.124	0.000
BT PLC	-4.851	-0.832
Bloor Homes	-0.676	-1.499
Cotman Housing Association Ltd	-0.165	0.000
Countryside Properties Ltd	-1.151	-0.602
Crest Nicholson Ltd (Eastern)	-0.148	0.000
Denbury Homes (previously Hopkins and Moore (Developments) Ltd)	-0.328	-0.903
Department for Education - Abbeygate Sixth Form College Funding	-0.001	0.000
Department for Education - Childcare Expansion Capital Grant 23-24	0.000	-0.066
Department for Education - Children's Homes Capital Programme 2022-25	-0.219	-0.329
Department for Education - Devolved Formula Capital	-1.402	-0.857
Department for Education - High Needs	-1.847	-0.032
Department for Education - School Condition Allocation Grant	-3.478	-3.484
Department for Education - Basic Needs	0.000	-0.242
Department for Education - Connect the Classroom	0.000	-0.334
Department for Energy Security & Net Zero - Climate Emergency Grant	0.000	-0.168
Department for Energy Security & Net Zero - Home Upgrade Grant Phase 2(HUG 2)	-0.007	0.000
Department for Transport - A12 Improvement MRN Grant	-0.900	-2.366
Department for Transport - Active Travel Fund	-0.336	-0.249
Department for Transport - Highway Maintenance Block	-15.132	-15.132
Department for Transport - Integrated Transport	-0.778	-0.962
Department for Transport - Local Highway maintenance : additional funding	-0.202	-6.670
Department for Transport - Pothole and Challenge Fund	-16.948	-12.106
Department for Transport/ADEPT* - Live Labs	-0.073	0.000
Department for Transport - Safer Roads Fund Grant	0.000	-0.006
Department for Transport - Traffic Signal Obsolescence Grant	0.000	-0.612
Forestry Commission - Treescape Grant	0.000	-0.003
Hopkins Homes Ltd	-0.370	0.000
Local Authorities Contributions	-3.238	-0.530
Mildenhall Hub	-0.361	0.000
Ministry of Housing, Communities & Local Government - One Public Estate	0.000	-0.222
Network Rail	-0.240	-0.020
Office for Zero Emission Vehicles - Local EV Infrastructure funding amount and tranche allocations	0.000	-0.003
Persimmon Homes	-1.855	-1.820
Salix - decarbonisation grant	-0.256	0.000
Sizewell C Limited	0.000	-1.593
Suffolk Police & Crime Commissioner	-0.989	-2.142
Suffolk Public Sector Leaders	0.000	-3.720
Taylor Wimpey UK Ltd	-0.897	-1.712
Tilia Homes	0.000	-0.338
Vistry Homes Ltd	-0.202	-0.304
Western Homes PLC	0.000	-0.270
Other	-0.989	-1.152
Total	-58.163	-61.281

Notes to the Core Statements

The Council has received several capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies to be returned to the grantor or they relate to 2025 – 2026. The balances at the year end are:

	31 March 2024 £ million	31 March 2025 £ million
Capital Grants Receipts in Advance		
Cambridgeshire and Peterborough Combined Authority	-0.003	0.000
Department for Education - Devolved Formula Capital Grant	-2.846	-2.411
Department for Education - High Needs Grant	-10.798	-10.159
Department for Education - Childcare Expansion Capital Grant	-1.205	-0.962
Department for Education - Basic Need Grant	0.000	-1.239
Department for Education - Children's Home Capital Programme	0.000	-0.061
Department for Education - School Condition Allocation Grant	0.000	-0.001
Department for Energy Security & Net Zero - Home Upgrade Grant	-1.160	-3.239
Department for Transport - A12 Major Routes Network (MRN) Grant	-0.526	0.000
Department for Transport - Active Travel Fund	-11.571	-12.130
Department for Transport - Safer Roads Fund	-1.275	-1.269
Department for Transport - Integrated Transport Grant	-2.493	-4.802
Department for Transport - Traffic Signal Obsolescence Grant	-0.626	-0.013
Department for Transport - Network North Resurfacing Grant	-3.234	0.000
Forestry Commission - Treescap Grant	-0.046	-0.024
NHS Commissioning Board - Land on the south side of Kelly Road	-0.311	-0.311
Office for Zero Emission Vehicles - Local EV Infrastructure funding amount and tranche allocations	-4.803	-5.334
Office for Zero Emission Vehicles - Local EV Infrastructure Fund 2022	-1.362	-1.362
Office for Zero Emission Vehicles - On-Street Residential Chargepoint Scheme Grant	-0.048	-0.048
Ministry of Housing, Communities & Local Government - Suffolk Retrofit Loan Scheme	-3.000	-1.849
Ministry of Housing, Communities & Local Government - One Public Estate - Land Release	-0.438	-0.185
Total	-45.746	-45.399

26. Related Parties

The Council is required to disclose significant 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. The Council have set a de-minimis limit of £0.100 million for disclosure of items.

Individuals who are deemed to be related parties are members and senior officers of the Council. Grants and payments to organisations, or goods and services supplied by businesses with which a county councillor or officer (or a member of his/her immediate family) was involved are detailed below.

Wholly Owned Companies, Joint Ventures, and Divested Organisations:

Suffolk Group Holdings Ltd

Suffolk Group Holdings is a wholly owned subsidiary of Suffolk County Council. The principal activity of the company is to hold the shares in, and provide governance structures for, the other subsidiary organisations of the Council. Currently this includes Vertas Group Ltd, Concertus Design and Property Consultants Ltd, and Opus People Solutions Group Ltd.

Suffolk Group Holdings Ltd is not a trading company. For 2024 - 2025 Suffolk Group Holdings proposed a dividend of £0.650 million (2023 – 2024 £1.500 million), of which £0.450 million remained unpaid at 31 March 2025.

Vertas Group Ltd (Vertas)

Vertas is a wholly owned subsidiary of Suffolk County Council. Its principal activities are the provision of Grounds maintenance, Catering, Caretaking, Facilities Management and Print and Design services. Vertas became a wholly owned subsidiary on 1 November 2011. Companies including Oakpark Security Systems Ltd, Churchill Catering Ltd, Vertas Environmental Ltd, Verse Facilities Management Ltd, Vertas (Ipswich) Ltd, Diamond View Cleaning Solutions Ltd, Suffolk Skills Academy Ltd, Vertas CC Ltd and Vertas (Derbyshire) Ltd are subsidiaries

Notes to the Core Statements

of Vertas Group Ltd. The company is involved in Joint Venture companies principally with Derbyshire County Council, and West Suffolk Council.

During 2024 - 2025 the Council incurred expenditure from the Vertas Group of companies of £22.197 million (2023 - 2024 £21.644 million). The Council also received income from the Vertas Group of £0.462 million (2023 - 2024 £0.752 million). The Council has a creditor balance of £2.000 million and a debtor balance of £4.725 million at 31 March 2025. Of the debtor balance £0.005 million is outstanding for over 30 days. The debtor balance includes a payment in advance of £4.388 million (2023 - 2024 £2.064 million) made by the Council for services to be provided within 2025 - 2026.

Concertus Design and Property Consultants Ltd (Concertus)

Concertus is a wholly owned subsidiary of Suffolk County Council. Its principal activities are the provision of design, estate management, and project management services within the property sector. The companies Concertus Suffolk Ltd, The Energy Practice, Carbon Chain Ltd and Concertus Derbyshire Ltd are subsidiaries of Concertus. Concertus became a wholly owned subsidiary on 1 April 2013. The company is involved in a Joint Venture with Derbyshire County Council.

During 2024 - 2025 the Council incurred expenditure from Concertus of £7.524 million (2023 - 2024 £11.327 million). The Council also received income from Concertus of £0.126 million (2023 - 2024 £0.042 million). The Council has a creditor balance of £1.169 million and a debtor balance of £0.135 million at 31 March 2025. Of the debtor balance, none is outstanding for more than 30 days.

Opus People Solutions Ltd (Opus)

Opus is a wholly owned subsidiary of Suffolk County Council. Its principal activity is the provision of temporary staff. Opus became a wholly owned subsidiary on 1 June 2014. The company Opus Teach Ltd is a subsidiary of Opus. The company has a joint venture with Cambridgeshire County Council, Northamptonshire County Council, and Milton Keynes Council (Opus LGSS People Solutions Ltd).

During 2024 - 2025 the Council incurred expenditure from Opus of £6.386 million (2023 - 2024 £6.549 million). The Council also received income from Opus of £0.305 million (2023 - 2024 £0.013 million). The Council has a creditor balance of £0.132 million and no debtor balance at 31 March 2025.

Edmundham Developments LLP

Edmundham Developments LLP is a 50/50 Joint Venture between the Council and Lovell Partnerships Ltd (part of the Morgan Sindall Group). The partnership was incorporated on 17 May 2022 for the development of housing within the Suffolk area by utilising Lovells experience within the homebuilding sector on land the Council no longer uses for operational purposes.

As part of these developments Land valued at £2.466 million was transferred to the company in March 2025 and is held in the Council's accounts as a deferred Capital Receipt. Edmundham Developments has incurred some start up and preparation costs which are recognised within the Council's Group accounts based upon the equity held.

Realise Futures CIC (Realise Futures)

Realise Futures is a Community Interest Company providing employment support and adult learning, including therapeutic care and funded placements to people with learning disabilities. Realise Futures and the Council entered into a contract commencing 1 November 2012 for Realise Futures to provide the services previously provided by the Council.

During 2024 - 2025 the Council incurred expenditure from Realise Futures of £4.902 million (2023 - 2024 £4.825 million). The Council also received income from Realise Futures of £0.101 million (2023 - 2024 £0.097 million). The Council has a creditor balance of nil and a debtor balance of £0.027 million at 31 March 2025. Of the debtor balance, none is outstanding for more than 30 days.

Notes to the Core Statements

Leading Lives IPS Ltd (Leading Lives)

Leading Lives is an Industrial and Provident Society providing day and residential services for people with learning disabilities. Leading Lives and the Council entered a contract commencing 1 July 2012 for Leading Lives to provide the services previously provided by the Council.

During 2024 - 2025 the Council incurred expenditure from Leading Lives of £9.519 million (2023 - 2024 £9.309 million). The Council also received income from Leading Lives of £0.155 million (2023 - 2024 £0.301 million). The Council has a creditor balance of £0.387 million and a debtor balance of £0.047 million at 31 March 2025.

Suffolk Libraries IPS Ltd (Libraries)

Suffolk Libraries is an Industrial and Provident Society (IPS) and was registered as a charitable organisation on 27 June 2012. The IPS was formed to provide comprehensive and efficient library services principally, but not exclusively for, the people of Suffolk. The provision of library services transferred from the Council to Libraries on 1 August 2012.

During 2024 - 2025 the Council incurred expenditure from Libraries of £7.404 million (2023 - 2024 £7.242 million). The Council also received income from Libraries of £0.206 million (2023 - 2024 £0.218 million). The Council has a creditor balance of £0.207 million and a £0.049 million debtor balance at 31 March 2025. Of the debtor balance, none is outstanding for more than 30 days.

Suffolk Libraries Services transferred from Suffolk Libraries IPS Ltd back to the Council from the 1 June 2025.

Other Organisations

Eastern Inshore Fisheries and Conservation Authority

There are two councillors that represent the Council on the Eastern Inshore Fisheries and Conservation Authority (EIFCA) board. The Council both contributes to EIFCA and also holds amounts on their behalf. At 31 March 2025, the total amount invested by the Council on behalf of the EIFCA, including accumulated interest, was £0.660 million (31 March 2024 £0.629 million).

Ipswich Buses Ltd

One of the non-executive directors of Ipswich Buses Ltd is also a County Councillor. In 2024 - 2025 the Council made payments to Ipswich Buses Ltd totalling £1.864 million (2023 - 2024 £2.086 million). The Council also received income from Ipswich Buses of £0.002 million (2023 - 2024 £0.002 million). The Council has a creditor balance and debtor balance below of £zero.

New Anglia Capital Ltd

New Anglia Capital Ltd was formed by New Anglia Local Enterprise Partnership (New Anglia LEP), as a company limited by guarantee, to provide capital investments for new businesses in the Anglia region. Following the dissolution of New Anglia LEP, and the transfer of its remaining responsibilities to Norfolk County Council and Suffolk County Council from April 2024, an officer and a councillor from Suffolk County Council were appointed as Directors of the company in December 2024.

The Council has 25% of board voting rights. New Anglia Capital is therefore an Associate of Suffolk County Council.

During 2024 - 2025 there were no transactions between the two entities, and the constitution of the company means that the Council has no interest in the residual assets nor any liabilities of the company. At 31 March 2025 the company held net assets of £1.817 million.

Excluding the above, the total grants and payments to other related party organisations that exceeded the de-minimis level are set out in the table below:

Notes to the Core Statements

2023 - 2024 £ million		2024 - 2025 £ million
0.848	Other Related Transactions (Councillors)	0.374
<u>0.848</u>		<u>0.374</u>

With these exceptions, there were no significant transactions with members and their families other than payments falling within the adopted scales of members' allowances.

Other Public Bodies subject to common control by central government

The Council has entered into a pooled budget arrangement for the provision of mental health services and also a wider Better Care Fund pooling agreement with Integrated Care Boards (ICBs) (which replaced Clinical Commissioning Groups (CCGs) from July 2022) operating in Suffolk. Several Councillors sit on the boards of these ICBs. Transactions related to these are detailed in Note 21. In addition, the ICBs part-fund some elements of care-related spend when there is a health requirement.

Pension Fund

The table below shows the amount charged to the Pension Fund for expenses incurred in administering the fund:

2023 - 2024 Income £ million		2024 - 2025 Income £ million
1.411	Administration Expenses charged to Pension Fund	1.591
<u>1.411</u>		<u>1.591</u>

27. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, 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.

Notes to the Core Statements

	2023 - 2024 £ million	2024 - 2025 £ million
Opening Capital Financing Requirement	819.277	850.853
Right of Use Assets - Opening Balance Adjustment	0.000	5.495
Revised Opening Capital Financing Requirement	819.277	856.348
<u>Capital investment</u>		
Property, Plant and Equipment - Operational Assets	69.178	91.064
Property, Plant and Equipment - Non Operational Assets	39.469	3.130
Intangible Assets	0.689	0.766
Heritage Assets	0.003	0.013
Revenue Expenditure Funded from Capital under Statute	17.593	22.503
<u>Sources of finance</u>		
Capital receipts	-8.997	-3.957
Government grants and other contributions	-69.190	-71.976
Sums set aside from revenue:		
Direct revenue contributions	-5.137	-8.297
Minimum revenue provision	-12.033	-13.425
Closing Capital Financing Requirement	850.853	876.169
<u>Explanation of movements in year</u>		
Increase/decrease (-) in underlying need to borrow	31.577	25.318
Increase/ Decrease (-) in Capital Financing Requirement	31.577	25.318

Operational assets are: Other Land and Buildings; Vehicles, Plant and Equipment and Infrastructure Assets. Non-Operational Assets are Surplus Assets and Assets Under Construction (note 12).

28. Leases

Authority as Lessee

As of the 1 April 2024 the Council is required to apply the accounting requirements of IFRS 16 (Leases) to all lease arrangements. The main impact of the new requirement is that leases, where the Council is the lessee, previously treated as operating leases under the previous requirements (IAS 17) now must have a right-of-use asset and corresponding lease liability brought onto the balance sheet. Leases for items of a low value underlying asset (under £10,000) and leases that expire before 31 March 2025 are exempt from the new arrangements. This change in requirement has meant a change in the accounting policies for leases. More detail on the treatment of leases under the new requirements can be found in Note 1 Accounting Policies xvii Leases.

The Code requires IFRS 16 to be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. There is no requirement to restate the previous financial year. The following practical expedients have been applied, as permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date. The weighted average of the incremental borrowing rates used to discount liabilities was 5.06%.
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments made and any initial direct costs have been excluded.
- all leases were included in a full review of onerous contracts as at 31 March 2025, so right-of-use assets have not been subject to an impairment review.

Notes to the Core Statements

This has resulted in the following additions to the balance sheet:

- £11.179 million Non-Current Assets – Property, Plant and Equipment – Right-of-Use Assets
- £4.463 million Long Term Liabilities – Long Term Lease Liability
- £1.032 million Current Liabilities – Short Term Lease Liability
- £5.684 million Unusable Reserves – Capital Adjustment Accounts – Donated assets for the peppercorn, nominal payments or nil consideration leases

The nature of the Council's leasing activities is purely for service delivery as opposed to investment. The property leases comprise a range of educational premises, care properties, fire stations, libraries, waste facilities and offices. The vehicles are used by staff to conduct their service functions and the equipment items are large scale printers and photocopiers.

Right-of-Use Assets

The balances below are held within Property, Plant and Equipment on the balance sheet and are also detailed in Note 12.

	Land and buildings £million	Vehicles, plant and equipment £million	Total £million
Balance as at 1 April 2024	13.662	0.896	14.558
Additions	1.239	0.264	1.503
Revaluations	2.408	0.000	2.408
Depreciation and amortisation	-1.323	-0.454	-1.777
Balance as at 31 March 2025	15.986	0.706	16.692

Transactions Under Leases

	2024 - 2025 £million
Comprehensive Income and Expenditure Statement	
Interest expense on lease liabilities	0.298
Expense relating to short-term leases	0.023
Expense relating to exempt leases of low-value items	0.062
Income from subletting right-of-use assets	-0.065
Cash flow Statement	
Minimum lease payments	1.450

Notes to the Core Statements

Maturity Analysis of Lease Liabilities

	2024 - 2025 £million
Less than one year	1.180
One to five years	2.718
More than five years	2.570
Total undiscounted liabilities	6.468
Finance charges allocated to future periods	-1.673
Net lease liabilities at 31 March 2025	4.795

Authority as Lessor

Finance Leases

The Council has leased out 209 school properties. These are schools that have converted to Academies (or Free Schools) and had the lease agreement finalised. There are also the leases for Fen Alder Car Park and Local Nature Reserve, resource and community centres, recreational land, a youth centre, sheltered housing and a theatre building. The Council therefore does not recognise these assets on the Balance Sheet.

The future minimum lease payments to be received are immaterial, therefore there is no debtor to be recognised on the Balance Sheet.

Operating Leases

The Council leases out a number of properties and land under operating leases. The table below shows the lease payments due over the period shown:

	31 March 2024 £ million	31 March 2025 £ million
Not later than one year	1.381	1.414
Later than one year and not later than five years	2.901	3.167
Later than five years	4.803	4.887
	9.085	9.468

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024 - 2025 £1.483 million was receivable by the Council in relation to County Farms (£1.508 million in 2023 - 2024).

29. PFI and Similar Contracts, including Donated Assets

The private finance initiative (PFI) provides a way of funding major capital investments by working with private consortia that are contracted to design, build, finance and manage new projects. The Council currently has two PFI schemes, one relating to the Fire & Rescue Service and the other relating to waste disposal, details of which are set out below.

Fire & Rescue Service

The Council has a PFI contract in relation to the upgrade and maintenance of 10 fire stations. The project reached financial close on 11 June 2008 having been awarded PFI credits of £27.100 million (a specific grant paid over the life of the contract towards the capital element of the scheme). The contract originally covered the rebuilding of six new fire stations and the refurbishment of four further fire stations.

Notes to the Core Statements

During the construction phase which completed during 2011 – 2012, there was one change to the original construction arrangement where a new Ipswich East Fire Station was constructed as opposed to the refurbishment of the existing asset.

All PFI stations are now operational and the facilities management aspects of the contract are now operational.

The following tables show the movement in value of the fire stations included in the PFI contract during 2024 – 2025 with comparators and the movement in the value of the liability.

Movement in the value of Fire Stations

	2023 - 2024 £ million	2024 - 2025 £ million
Value at start of year	14.444	14.443
Revaluations	0.433	-0.256
Depreciation	-0.434	-0.434
Value at end of year	14.443	13.753

Liability outstanding on the Fire PFI Contract

	2023 - 2024 £ million	2024 - 2025 £ million
Balance outstanding at start of year	10.890	10.356
Payments during the year	-0.534	-0.595
Balance outstanding at end of year	10.356	9.761

The following table shows the payments due under the PFI contract (current and future liabilities). The payments shown are at current cost and do not include inflation which will be included when the payments are made in future years.

	Repayment of liability £ million	Interest £ million	Service charges £ million	PFI Grant £ million	Net Cost £ million
Payments due - received;					
During 2025 - 2026	0.661	1.100	1.174	-1.097	1.838
Payable within two to five years	3.479	3.567	4.697	-4.386	7.357
Payable within six to ten years	5.621	1.718	4.893	-4.340	7.892
Total	9.761	6.385	10.764	-9.823	17.087

Waste Service

The Council has a PFI contract, with Suez Recycling and Recovery Suffolk Ltd in relation to the construction and management of an Energy-from-Waste facility on Council land in Great Blakenham. The project reached financial close in October 2010 and was awarded £102 million in Waste Infrastructure Credits (formerly known as PFI credits) which provide an income stream of £199 million over the 25-year operational span of the contract.

Following the construction and testing phase of the project full operation began, on schedule, in December 2014. In broad terms the contract is for the treatment of between 170,000 and 240,000 tonnes of residual waste (i.e. waste remaining after recycling or composting). The treatment of this waste represents an environmentally better solution than the previous disposal method, which was landfill.

Actual payments by the Council will depend on the number of tonnes of waste processed under this contract at the plant which has an annual capacity of around 269,000 tonnes. At the end of the 25 year operational phase

Notes to the Core Statements

of the contract, the plant will either be handed over to the Council, with a minimum of five years useful life remaining, or a new operating contract may be agreed either with Suez or another operator. At the lowest level (170,000 tonnes) the estimated savings, when compared to projected landfill costs, were £350 million over the contract period.

The plant receives income directly from third parties, both for the treatment of waste and for electricity exported to the National Grid. As part of the contract Suez retains this income and the price otherwise payable by the Council under the agreement has been reduced to reflect this. As the contract payments to be made by the Council do not meet the full cost of the asset the Council receives the proportion of the asset not funded by contractual payments is recognised as a donated asset. A liability is recognised within the accounts for this proportion of the asset and is reduced over the life of the contract.

Within 2016 - 2017 there were two events which adjusted the liabilities due under the contract. Firstly, the Government ended the relief allowable via Levy Exemption Certificates (LECs) against Climate Change Levy liabilities for producers of renewably sourced power. This reduced income from electricity generation and was a relevant change in law under the PFI contract. The Unitary Charge payable by the Council was adjusted to allow for this change, reducing the future value of the donated asset and increasing the liability under the PFI contract.

Secondly, the Council and Suez negotiated a contract variation whereby the Council made a Capital Contribution of £37.785 million, reducing the outstanding liability on the PFI contract, in return for a reduction in the price of waste processing over the future life of the contract.

Within 2018 – 2019 a second Capital Contribution of £10.179 million was negotiated by the Council further reducing both the outstanding liability and the price of waste processing over the future life of the contract.

The following tables show the movement in value of the Energy-from-Waste facility included in the PFI contract during 2024 – 2025 with comparators and the movements in the value of the liability and the donated asset.

Movement in the value of the Energy from Waste Facility

	2023 - 2024 £ million	2024 - 2025 £ million
Value at start of year	166.000	166.625
Additions	1.547	2.335
Revaluation	4.699	1.281
Depreciation	-5.621	-5.855
Adjustment for Inflation (IFRS 16)	0.000	2.484
Value at end of year	166.625	166.870

Liability outstanding on the Waste PFI contract

	2023 - 2024 £ million	2024 - 2025 £ million
Balance outstanding at start of year	26.384	24.444
Payments during the year	-3.487	-3.878
Capital expenditure incurred in the year	1.547	2.335
Adjustment for Inflation (IFRS 16)	0.000	2.484
Balance outstanding at end of year	24.444	25.385

Notes to the Core Statements

Donated Asset Account within the Waste PFI Contract

	2023 - 2024 £ million	2024 - 2025 £ million
Balance outstanding at start of year	80.840	76.085
Payments during the year	-4.755	-4.755
Balance outstanding at end of year	76.085	71.330
Short Term Donated Asset Account	4.755	4.755
Long Term Donated Asset Account	71.330	66.575
	76.085	71.330

The following table shows the payments due under the PFI contract (current and future liabilities). The payments shown are at current cost and do not include inflation which will be included when the payments are made in future years.

	Repayment of liability £ million	Interest £ million	Service charges £ million	Lifecycle Works £ million	Waste Infrastructure Grant £ million	Net Cost £ million
Payments due - received;						
During 2025 - 2026	1.351	1.633	5.011	2.640	-7.864	2.771
Payable within two to five years	4.248	5.727	20.074	12.269	-31.455	10.863
Payable within six to ten years	8.921	5.194	25.316	13.372	-39.319	13.484
Payable within eleven to fifteen years	10.865	1.908	23.732	12.807	-36.370	12.942
Total	25.385	14.462	74.133	41.088	-115.008	40.060

The repayment of the liability of both schemes amounting to £35.146 million reconciles to the short and long-term PFI liability figures on the Balance Sheet.

30. Impairment Losses

During 2024 - 2025 the Council did not recognise any loss due to impairment on non-current assets.

During 2024 - 2025 there was valuation losses charged to the Comprehensive Income and Expenditure Statement of £10.512 million.

The total revaluation charged to the Comprehensive Income and Expenditure Statement is not a complete reflection of the change in asset values in the year. There were also upwards valuations charged to the Revaluation Reserve of £25.304 million. In 2024 - 2025 the total change due to valuation is an increase in value of £14.792 million (note 12 and note 14).

31. Termination Benefits and Exit Packages

The 2024 - 2025 code of practice on local authority accounting requires local authorities to disclose in bands, separated between compulsory and other departures, the number of exit packages agreed during the year and the cost of those packages to the authority in the financial year. Exit costs relating to ill health retirements or departures are excluded in accordance with the Code.

Exit costs should include all relevant redundancy costs including compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex gratia payments and other departure costs e.g. accrued holiday. It should be noted that the number of exit packages includes individuals for whom there was no exit cost.

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The number of exit packages with total cost per band and total cost of the compulsory and other departures payments are set out in the table below.

Exit Package Cost Band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£ million)	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
£0 - £20,000	14	16	6	6	20	22	0.117	0.206
£20,001 - £40,000	0	8	1	3	1	11	0.025	0.307
£40,001 - £60,000	0	1	1	1	1	2	0.050	0.101
£60,001 - £80,000	1	3	0	0	1	3	0.073	0.208
£80,001 - £100,000	1	3	0	0	1	3	0.087	0.262
£100,000 - £150,000	1	0	0	0	1	0	0.139	0.000
£150,001 - £200,000	1	0	0	0	1	0	0.179	0.000
Total - excluding provision	18	31	8	10	26	41	0.669	1.084

The total cost of £1.084 million in the table above includes exit packages that have been paid in 2024 - 2025 using £0.028 million of the provision which was set up as at 31 March 2024. In addition, the Comprehensive Income and Expenditure Statement includes a provision for £0.110 million as at 31 March 2025 which is set aside to pay officers in 2025 - 2026. These costs are not included in the bands but will be in 2025 - 2026 when the exit packages can be allocated into bands.

32. Pension Schemes accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by 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 technically a 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 Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. In 2024 - 2025, the Council paid £17.672 million of employer contributions to the Teachers' Pension Scheme in respect of teachers' retirement benefits (2023 - 2024 £14.530 million), representing 28.68% of pensionable pay from 1 April 2024 to 31 March 2025 (2023 - 2024 23.68%). The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the Teachers' scheme.

NHS Staff Pension Scheme

A number of NHS Staff transferred to the Council in April 2013. These staff maintained their membership in the NHS Pension Scheme, administered by the NHS Business Service Authority. The Scheme provides these staff 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 an unfunded defined benefit scheme. However, the Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024 - 2025, the Council paid £0.455 million of employer contributions (2023 - 2024 £0.488 million) in respect of retirement benefits to NHS Pensions in respect of staff who transferred into the Council from the NHS. The scheme has different employer contribution rates, depending on which element of the scheme staff are within, representing 14.38% or 16.88% of pensionable pay (2023 - 2024 14.38% and 16.88%).

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33. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make the payments into the fund needed to cover both current and future pension liabilities.

The Council participates in two defined benefit pension schemes (excluding Teachers and National Health Service):

- the Local Government Pension Scheme for civilian employees, administered by Suffolk County Council - this is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- The Fire Pension Scheme for Firefighters - this is an unfunded scheme, meaning that there are no investments built up to meet the pension liabilities, and cash needs to be generated to meet actual pensions payments as they fall due. Under the Fire Pension Scheme Regulations 2007, if the amounts receivable by the pension scheme for the year are less than the amounts payable, the fire authority must annually transfer an amount required to meet the deficit to the pension scheme. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government pension top-up grant. If, however, the pension scheme is in surplus for the year, the surplus is required to be transferred to the fire authority which then must repay the amount to central government. The Fire Pension Fund statement can be seen on page 149 of the accounts.

Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the Net 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 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		Unfunded Liabilities Uniformed Fire Fighters	
	2023 - 2024 £ million	2024 - 2025 £ million	2023 - 2024 £ million	2024 - 2025 £ million
Comprehensive Income and Expenditure Account				
<i>Cost of Services:</i>				
Current service cost	41.428	38.285	1.800	1.600
Past Service cost/(-)gain	0.351	0.242	0.000	0.000
Settlements and Curtailments cost/(-)gain	0.000	-0.585	0.000	0.000
<i>Financing and Investment Income and Expenditure</i>				
Net interest	-10.767	0.355	9.700	9.900
Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services	31.012	38.297	11.500	11.500
<i>Other Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement</i>				
<i>Remeasurement of the net defined benefit liability comprising:</i>				
Return on plan assets (excluding net interest)	-147.256	-8.917	0.000	0.000
Actuarial gains (-) and losses arising on changes in demographic assumptions	-10.400	-2.828	-0.100	-3.200
Actuarial gains (-) and losses arising on changes in financial assumptions	-92.063	-248.645	-9.400	-27.900
Expected pension increase order	0.000	0.000	5.200	-1.300
Other experience	53.637	-15.293	1.074	16.913
Changes in the effect of the asset ceiling	216.781	278.722	0.000	0.000
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Account	20.699	3.039	-3.226	-15.487
<i>Movement in Reserves Statement</i>				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	-31.012	-38.297	-11.500	-11.500
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>				
Employers' contributions payable to the scheme	40.207	42.140	8.374	9.413

The Remeasurements of the net defined liability on the face of the Comprehensive Income and Expenditure Statement of -£3.756 million, includes The Total Post Employment Benefits Charged to the Comprehensive

Notes to the Core Statements

Income and Expenditure Account as shown in the table above of £3.039 million and -£15.487 million, plus a £8.692 million movement from 2023 – 2024, completed as an in-year adjustment in 2024 - 2025 in relation to unfunded benefits.

The Comprehensive Income and Expenditure Statement shows -£3.756 million due to a £8.692 million movement from 2023 - 2024 completed as an in-year adjustment in 2024 - 2025 in relation to unfunded benefits.

The Comprehensive Income and Expenditure Statement includes the approximate employer share of the cost of benefits accruing, i.e. the current service cost and interest costs over the period.

The change in financial assumptions for the Local Government Pension Scheme, as shown in the table above, resulted in a gain of £248.645 million, which was impacted by:

- The discount rate, which is derived from the corporate bond yield and has risen over the period, leading to a 0.95% increase in this assumption. It has reduced the employer's obligation and led to a gain of £248.645 million.

The change in demographic assumptions resulted in a gain of £2.828 million, due to the latest available longevity information being updated from the prior year, which reduced the employer's obligation and led to a small gain.

Other experience resulted in a gain due to the following:

- i. Pension increase order of 1.7%, was lower than the assumption at the start of the accounting period. This increases pensions in payment, deferred pensions and CARE pots by less than expected, which has led to a gain of £15.253 million.
- ii. A gain of £0.175 million resulting from a lower than expected level of unfunded pensioner deaths over the period.
- iii. A loss of £0.135 million resulting from the difference between the actuarial contributions figure and the actual contributions figure, also taking divestments into account.

The actuarial loss of £27.900 million resulting from the changes in financial assumptions for the Uniformed Fire Fighters scheme is due to a year-on-year increase in the CARE revaluation rate from 3.10% to 3.15% to ensure pensions keep pace with the rising cost of living. There was also an increase in the Salary increase rate (RPI) from 3.10% to 3.15%, an increase in the Pension increase rate from 2.75% to 2.80% and an increase in the Discount rate from 4.85% to 5.80%.

The £16.913 million other experience figure for the Uniformed Fire Fighters scheme is based on the figure provided by Hymans adjusted for the difference between the actuarial and actual contributions figures and injury costs.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, the Council is unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the financial statements.

Pension Assets and Liabilities Recognised in the Balance Sheet

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

Notes to the Core Statements

Reconciliation of present value of the scheme liabilities (-) / assets (defined benefit obligation):	Local Government Pension Scheme		Unfunded Liabilities Uniformed Fire Fighters	
	2023 - 2024 £ million	2024 - 2025 £ million	2023 - 2024 £ million	2024 - 2025 £ million
Present value of the defined benefit obligation	-1,606.913	-1,403.285	0.000	0.000
Fair value of plan assets	2,048.413	2,146.648	0.000	0.000
	441.500	743.363	0.000	0.000
Present value of unfunded liabilities	-8.692	-7.888	-190.700	-181.300
Present value of injury liabilities	0.000	0.000	-16.800	-12.800
Changes in the effect of the asset ceiling	-432.808	-743.363	0.000	0.000
Net liability (-) / asset arising from defined benefit obligation	0.000	-7.888	-207.500	-194.100

The overall gain at 31 March 2025 of £743.363 million does not result in a return of funds from the Local Government Pension Scheme, therefore a further calculation is required which determines an asset ceiling for which the Council then reduces the asset on the Balance Sheet. The change in the effect of the asset ceiling, means only a net liability of unfunded liabilities of £7.888 million for the Local Government Pension Scheme, is reflected on the Balance Sheet. The Council has agreed, as part of the last triennial valuation of the Suffolk Pension Fund, a reduction in employer contributions over the next three-year period from April 2023.

Reconciliation of the movements in the fair value of Scheme Assets

	Local Government Pension Scheme		Uniformed Fire Fighters	
	2023 - 2024 £ million	2024 - 2025 £ million	2023 - 2024 £ million	2024 - 2025 £ million
Opening fair value of scheme assets	1,609.830	1,399.578	0.000	0.000
Removal of prior year asset ceiling effect	0.000	648.470	0.000	0.000
Revised Opening fair Value of scheme assets	1,609.830	2,048.048	0.000	0.000
Interest income	86.466	99.029	0.000	0.000
Remeasurement gain/(loss)				
Effect of settlements	0.000	-1.987	0.000	0.000
Remeasurement gain/loss				
Return on plan assets (excluding net interest expense)	147.256	8.917	0.000	0.000
Other	-0.164	-0.135	-1.074	-1.113
Asset ceiling	-432.808	0.000	0.000	0.000
Contributions from employer	39.373	41.259	7.774	8.813
Contributions in respect of unfunded benefits	0.834	0.881	0.600	0.600
Contributions from employees	13.163	13.558	1.500	1.600
Benefits paid	-63.538	-62.041	-8.200	-9.300
Unfunded benefits paid	-0.834	-0.881	-0.600	-0.600
Closing fair value of scheme assets	1,399.578	2,146.648	0.000	0.000

The return on plan assets (excluding net interest expense) gain of £8.917 million has occurred due to the investment return achieved by the Pension Fund of 5.3% compared to an expected accounting return of 4.85%.

For the Local Government Pension Scheme, the asset ceiling figure is now only reported in the first table, not within the separate assets and liabilities tables, in order to present the assets and liabilities as gross prior to any adjustment. As a result, an adjustment of £648.470 million in 2024 - 2025 removes the effect of the prior year assets ceilings in the table above. The asset ceiling line is zero in 2024 - 2025 to compensate for this.

Notes to the Core Statements

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Local Government Pension Scheme		Uniformed Fire Fighters	
	2023 - 2024 £ million	2024 - 2025 £ million	2023 - 2024 £ million	2024 - 2025 £ million
Opening balance 1 April	-1,598.326	-1,615.605	-207.600	-207.500
Removal of prior year asset ceiling effect	0.000	2.013	0.000	0.000
Revised Opening balance 1 April	-1,598.326	-1,613.592	-207.600	-207.500
Current service cost	-41.428	-38.285	-1.800	-1.600
Interest cost	-75.699	-77.891	-9.700	-9.900
Contributions by scheme participants	-13.163	-13.558	-1.500	-1.600
Remeasurement gains and losses:				
Actuarial gains and losses arising from changes in demographic assumptions	10.400	2.828	0.100	3.200
Actuarial gains and losses arising from changes in financial assumptions	92.063	248.645	9.400	27.900
Expected pension increase order	0.000	0.000	-5.200	1.300
Other experience	-53.473	15.428	0.000	-15.800
Past service costs	-0.351	-0.242	0.000	0.000
Benefits paid	63.538	62.041	8.200	9.300
Unfunded benefits paid	0.834	0.881	0.600	0.600
Liabilities extinguished on settlements	0.000	2.572	0.000	0.000
Closing balance at 31 March	-1,615.605	-1,411.173	-207.500	-194.100

The significant changes that have taken place during the year on the Uniformed Firefighters' scheme are:

In 2024 - 2025 there was a significant rise in real bond yields, resulting in a gain of £27.900 million appearing in the "Change in financial assumptions" line within the disclosures.

A full valuation of the scheme was carried out using membership data as at 31 March 2024 and the actuary has projected the results forward to 31 March 2025 using a roll forward approach. As such, there is an "other experience" item of -£15.800 million which reflects actual experience, from the date of the previous full valuation of the Council's membership at 31 March 2020.

Notes to the Core Statements

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets			
	Quoted prices in active markets	Quoted prices not in active markets	Quoted prices in active markets	Quoted prices not in active markets
	2023 - 2024 £ million	2023 - 2024 £ million	2024 - 2025 £ million	2024 - 2025 £ million
Cash and Cash Equivalents				
Cash	21.171	0.000	16.517	0.000
Total Cash and Cash Equivalents	21.171	0.000	16.517	0.000
Bonds (by sector)				
Corporate	483.564	0.000	597.074	0.000
Government	75.899	0.000	0.000	0.000
Total Bonds	559.463	0.000	597.074	0.000
Private Equity				
All	21.442	59.865	19.937	49.412
Total Private Equity	21.442	59.865	19.937	49.412
Property				
UK Property	148.709	0.000	145.918	0.000
Overseas Property			40.934	0.000
Total Property	148.709	0.000	186.852	0.000
Other Investment Funds				
Equities	945.416	0.000	999.891	0.000
Hedge Funds	33.755	0.000	0.000	0.000
Infrastructure	0.000	190.727	0.000	208.637
Other	0.000	67.865	0.000	68.328
Total Other Investment Funds	979.171	258.592	999.891	276.965
Total Assets	1,729.956	318.457	1,820.271	326.377

Basis for Estimating Assets and Liabilities

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

Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Estimates for the Suffolk County Council Pension Fund are based on the latest full valuation of the scheme at 31 March 2022.

The significant assumptions used by the actuary have been:

Notes to the Core Statements

	Local Government Pension Scheme		Uniformed Fire Fighters	
	2023 - 2024	2024 - 2025	2023 - 2024	2024 - 2025
The principal assumptions used by the actuary have been:				
Mortality assumptions:				
Longevity at retirement for current pensioners:				
Men	21.6	21.6	25.8	25.6
Women	24.2	24.2	28.7	28.5
Longevity at retirement for future pensioners:				
Men	22.2	22.1	27.2	27.7
Women	25.7	25.7	30.0	30.5
Rate of inflation	2.8%	2.8%	3.1%	3.2%
Rate of increase in pensions	2.8%	2.8%	2.8%	2.8%
Rate of increase in salaries	3.8%	3.8%	3.1%	3.2%
Rate for discounting scheme liabilities	4.9%	5.8%	4.9%	5.8%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on possible changes of the assumptions occurring at the end of the reporting period and for each change, the assumption analysed could then change, while all the other assumptions remain constant. The assumptions in longevity, for example, assume the same 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 corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption.

The discount rate has increased significantly compared to last year and this places a lower value on the obligations. Inflation expectations have remained broadly consistent with last year or have reduced slightly, which will have a neutral impact or lead to a further small reduction in the value of the obligations.

Local Government Pension Scheme

Change in assumptions at year ended 31 March 2025:	Approximate % increase to Employer Liability	Increase in Assumption	Decrease in Assumption
		£ million	£ million
0.1% decrease in Real Discount Rate	2	24,125	- 24,125
1 year increase in member life expectancy	4	56,447	- 56,447
0.1% increase in the Salary Increase Rate	0	841	- 841
0.1% increase in the Pension Increase Rate (CPI)	2	23,958	- 23,958

This estimates that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by approximately 3% to 5%.

Uniformed Fire Fighters Scheme

Change in assumptions at year ended 31 March 2025:	Approximate % increase to Employer Liability	Increase in Assumption	Decrease in Assumption
		£ million	£ million
0.5% decrease in Real Discount Rate	8%	14.970	-14.970
1 year increase in member life expectancy	3%	5.820	-5.820
0.5% increase in Salary Increase Rate	<1%	0.370	-0.370
0.5% increase in Pension Increase Rate (CPI)	7%	13.380	-13.380

Impact on the Council's Cash Flows

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A triennial valuation exercise is carried out every three years, the last one was based on the figures as at 31 March 2022. Suffolk County Council anticipates paying £40.809 million of employer contributions to the scheme for 2025 – 2026.

34. Contingent Liabilities

At 31 March 2025, the Council had one contingent liability.

Municipal Mutual Insurance (MMI)

In 1992 Municipal Mutual Insurance (MMI), one of the Council's insurers at the time, stopped accepting new business. MMI and its policy holders, including local authorities, organised a scheme of arrangement which provided for the company to be wound up in an orderly manner in the event that there was a shortfall in the amount of assets held by MMI. Under the scheme of arrangement MMI could claim back from its major policy holders part of any claims which it had paid them from 1 October 1993 onwards by way of a levy.

Following a meeting of the Board of Directors of MMI on 13 November 2012, MMI wrote to its policy holders to advise that the Board had decided to trigger the scheme of arrangement and control of the company then passed to the administrators, Ernst and Young LLP. Ernst and Young LLP have advised that an initial levy of 15% of claims paid since October 1993. In addition any future claims that it settles on behalf of MMI will also be subject to a 15% reduction, with the shortfall being met by the respective policyholders. The Council settled the initial Ernst and Young LLP levy in 2013 - 2014 in respect of the past MMI claims which have been paid and for the shortfall in the future settlement of the claims which had been received up to March 2014, based on the initial levy percentage of 15%. Each month MMI issue a statement and invoice for 15% of any claims paid.

In November 2015 Ernst and Young indicated that a second levy will be implemented in the 2016 - 2017 financial year and the amount of the levy will be subject to further upward revision. On 1 April 2016 Ernst and Young confirmed the levy will be increased by 10% to a total 25%. An invoice for the backdated 10% was paid in May 2016 and the monthly invoices will be increased from 15% to 25%.

Whereas the latest published set of accounts from MMI (dated 30 June 2024) confirmed that no further changes to the payment percentage are currently anticipated, there is the potential for percentage levied against past schemes could increase above 25% at some point in the future. There is sufficient cover in the Council's reserves to fund reasonable increases in the amount of any further levy that may be imposed by Ernst and Young LLP.

35. Contingent Assets

At 31 March 2025, the Council had one contingent asset.

Confiscation Order

Following the conviction in December 2023 of two individuals for fraud by abuse of position in relation to the Council's social care provision, contrary to section 4 of the Fraud Act 2006, legal representatives for both sides agreed on 5 March 2025 for £210,562.08 to be payable to the Council under the Proceeds of Crime Act 2002, subject to a confiscation order being issued to this effect. Such a confiscation order was issued by Ipswich Crown Court on the 24 April 2025. This must be settled within three months of the date of the order.

36. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's financial liabilities held during the year are measured at amortised cost and comprise:

Notes to the Core Statements

- long-term loans from the Public Works Loan Board and commercial lenders,
- short-term loans from other local authorities,
- Private Finance Initiative contracts detailed in note 29, and
- trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
 - cash in hand,
 - bank current and deposit accounts with Lloyds Bank PLC,
 - loans to divested organisations, and local companies.
 - loans to service users made for service purposes, and
 - trade receivables for goods and services provided.
- Fair value through profit and loss comprising:
 - money market funds,
 - The Churches, Charities, and Local Authorities Property Funds (CCLA)

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

The financial assets and liabilities disclosed in the Balance Sheet are analysed across the following categories:

Notes to the Core Statements

	Long Term Assets & Liabilities		Current Assets & Liabilities	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
	£ million	£ million	£ million	£ million
Investments				
Assets at amortised cost				
Loans and Receivables			7.507	5.939
Assets at Fair Value through profit and loss				
Loans and Receivables			0.005	0.001
Equity Investment				
Investments in Pooled Funds			42.178	43.495
Total Investments	0.000	0.000	49.690	49.435
Debtors				
Assets at amortised cost				
Loans and Receivables	0.027	0.018		
Trade Receivables and similar instruments	14.863	15.851	85.917	81.882
Assets at Fair Value through profit and loss				
Loans and Receivables	0.139	0.142		
Total included in Debtors *	15.029	16.011	85.917	81.882
Assets at amortised cost				
Cash and Cash Equivalents	-		2.415	0.407
Total Cash and Cash Equivalents	0.000	0.000	2.415	0.407
Total Financial Assets	15.029	16.011	138.022	131.724
Borrowings				
Loans at amortised cost	389.926	449.501	210.446	215.600
Total Borrowings**	389.926	449.501	210.446	215.600
Other Liabilities				
Liabilities at Amortised Cost:				
PFI Liabilities	32.821	33.134	1.979	2.013
Lease Liabilities		3.891		0.904
Other Long Term Liabilities	54.818	65.705		
Total Liabilities	87.639	102.730	1.979	2.917
Creditors				
Liabilities at Amortised Cost				
Trade Payables and similar instruments			119.978	87.945
Total included in Creditors *	0.000	0.000	119.978	87.945
Total Financial Liabilities	477.565	552.231	332.403	306.462

* Debtors and creditors figures in the above table exclude non-exchange transactions, such as those relating to taxes and government grants. This accounts for the £50.288 million difference in 2024 - 2025 (£48.301 million in 2023 - 2024) for debtors between the figure in the above table and the Balance Sheet, and for the £69.265 million difference in 2024 - 2025 (£70.202 million 2023 - 2024) for creditors between the figure in the above table and the Balance Sheet.

** The total short-term borrowing includes £46.065 million (2023 - 2024: £46.865 million) representing accrued interest and principal repayments due within 12 months on long-term borrowing.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset against each other where the Council has a legally enforceable right to offset and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Council operates its bank accounts with Lloyds Bank PLC on a pooled basis and offsets overdrawn and in hand bank accounts. The table below shows the effect of this offsetting arrangement on the balance sheet.

Notes to the Core Statements

31 March 2024			31 March 2025		
Gross assets (liabilities) £ million	(Liabilities) assets offset £ million	Net position on balance sheet £ million	Gross assets (liabilities) £ million	(Liabilities) assets offset £ million	Net position on balance sheet £ million
32.887	-30.472	2.415	27.904	-27.497	0.407
-30.472	30.472	0.000	-27.497	27.497	0.000
2.415	0.000	2.415	0.407	0.000	0.407
Total shown in assets			Total shown in assets		

Financial Instrument Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following items:

	2023 - 2024			2024 - 2025		
	Financial Liabilities	Financial Assets		Financial Liabilities	Financial Assets	
	Liabilities measured at amortised cost	Loans and receivables	Total	Liabilities measured at amortised cost	Loans and receivables	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Interest expense	-25.920		-25.920	-28.692		-28.692
Losses on derecognition	-0.001	-0.986	-0.987	0.000	-0.823	-0.823
Impairment losses (-) /gain		-0.705	-0.705		-1.676	-1.676
Total expense in Surplus or (Deficit) on the Provision of Services	-25.921	-1.691	-27.612	-28.692	-2.499	-31.191
Interest and dividend income		3.953	3.953		3.495	3.495
Gains on derecognition	0.003		0.003	0.001	0.003	0.004
Fair Value gains / losses (-)		-0.177	-0.177		0.083	0.083
Total income in Surplus or (Deficit) on the Provision of Services	0.003	3.776	3.779	0.001	3.581	3.582
Net gain/loss for the year	-25.918	2.085	-23.833	-28.691	1.082	-27.609

Fair Values of Assets and Liabilities

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair value of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Notes to the Core Statements

Balance Sheet 31 March 2024 £ million	Fair Value 31 March 2024 £ million		Fair Value Level	Balance Sheet 31 March 2025 £ million	Fair Value 31 March 2025 £ million
225.974	209.154	<i>Financial liabilities held at amortised cost:</i>			
163.952	166.005	Long-term loans from PWLB	2	309.911	292.277
32.821	41.933	Long Term Bank and LOBO Loans	2	139.590	137.055
		Long-term PFI liabilities	3	33.134	37.628
		Long-term Lease liabilities		3.891	3.891
		<i>Financial liabilities for which fair value is not disclosed*:</i>			
		Trade Payables and Other Long Term Liabilities		372.166	
<u>387.221</u>		TOTAL FINANCIAL LIABILITIES		<u>858.692</u>	
		<i>Held as:</i>			
477.565		Long Term Financial Liabilities		552.231	
332.403		Current Financial Liabilities		306.462	
<u>809.968</u>		TOTAL FINANCIAL LIABILITIES		<u>858.693</u>	
		<i>Financial assets held at fair value:</i>			
42.178	42.178	Investments in Pooled Funds	1	43.495	43.495
		<i>Financial assets for which fair value is not disclosed*:</i>			
7.512		Investments - Loans and Receivables		5.940	
100.946		Debtors		97.893	
2.415		Bank Balances		0.407	
<u>153.051</u>		TOTAL FINANCIAL ASSETS		<u>147.735</u>	
		<i>Held as:</i>			
15.029		Long-term Financial Assets		16.011	
138.022		Current Financial Assets		131.724	
<u>153.051</u>		TOTAL FINANCIAL ASSETS		<u>147.735</u>	

* The fair value of short-term financial liabilities and assets, including trade payables and receivables, is assumed to approximate to the carrying amount. The fair value of the liabilities is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans at the Balance Sheet date.

The fair value of the Councils equity holdings for items not consolidated within the Group Accounts are assessed within level 3 of the Fair Value Hierarchy. This is because there is neither a quoted market for the holdings nor are there similar markets which would enable an assessment to be conducted, once all relevant factors have been assessed.

The Council has equity holdings with Suffolk Group Holdings Ltd and Edmundham Developments LLP which are detailed within Interest in Companies and consolidated into the Group Accounts. These are held at cost (£100) and there were no other acquisitions or disposals within the year.

37. Nature and Extent of Risks arising from Financial Instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- **Credit Risk:** The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- **Liquidity Risk:** The possibility that the Council might not have the cash available to make contracted payments on time.
- **Market Risk:** The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Notes to the Core Statements

Credit Risk

The following analysis summarises the Council's potential maximum exposure to credit risk on its Financial Assets.

	Amount at 31 March 2025 £ million	Total by Debt Category £ million	Estimated Maximum exposure to default and uncollectability at 31 March 2025 £ million	Net Debtor £ million	Estimated maximum exposure at 31 March 2024 £ million
Deposits with Banks and Financial institutions	49.835	49.835	0.000	49.835	0.000
Loans and receivables at amortised cost	0.167	0.167	0.000	0.167	0.000
Customer Debt					
Secured Debt: Care Supplies	13.285				
Secured Debt: Other Long-Term Debt	8.516				
Non aged debt	27.425				
Debts less than 90 days old	12.508				
Debts >90 days but <365 days old	21.051				
Debts outstanding for 365 days and over	20.560				
Total for Customer Debt		103.345	5.612	97.733	3.936
Total		153.347	5.612	147.735	3.936

The Council manages credit risk in its treasury investments by ensuring that such investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice.

A limit of £25 million of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £10 million applies. No more than £15 million in total can be invested for a period longer than one year.

In addition to the Financial Assets within the Council's treasury investments the Council also has Financial Assets in the form of trade receivables and service loans. The Council generally has terms that give customers 30 days to pay their debts which are classed as 'current'. Of the £81.544 million classified as receivable trade / general debtors there is £20.560 million (£15.663 million, 2023 - 2024) outstanding which is greater than 365 days old. In addition to this there are two types of secured debt; £13.285 million of care supplies which have been secured against the assets of customers, and £8.516 million relating to the sale of land where an interest in the land is held to secure future payment.

Loss allowances on trade receivables have been calculated with reference to the Council's historic experience of default and where appropriate the specific circumstances of the debt. For care debt the loss allowance is initially applied according to the type of debtor; care customer, provider organisations or NHS and other authorities. Debts over 90 days old are also allocated a Red, Amber, or Green status based on individual circumstance, with each status allocated a different likelihood of payment.

For debts relating to other services those over 90 days old and over £5,000 are allocated a Red, Amber, or Green status, with smaller and shorter terms debts having a loss allowance calculated on historic default rates according to the age of the debt.

In furtherance of the Council's service objectives, it has also lent money to its subsidiary companies and local companies where this will help to fulfil those service objectives. These loans are held on the balance sheet at amortised cost and the Council makes a provision for credit risk against them by calculating an expected credit loss.

Notes to the Core Statements

	12-month Expected Credit Losses	Lifetime Credit Losses Credit Risk has increased significantly	Simplified approach for receivables	Total loss allowances
Allowance at 31 March 2024	0.000	0.000	3.936	3.936
Change in Risk			1.676	1.676
Loans Repaid	0.000			0.000
Allowance at 31 March 2025	0.000	0.000	5.612	5.612

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 50% of the Council's borrowing matures in any one financial year.

The maturity analysis of financial instruments is as follows:

31 March 2024		31 March 2025	
£ million		£ million	
210.446	Less than one year	215.600	
68.040	Between one and two years	93.506	
160.683	Between two and five years	184.028	
161.203	More than five years	171.967	
600.372		665.101	

The Council has £90 million (2023 - 2024: £100 million) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The maturity date is uncertain and they are included in the table based on the next option dates falling after 31 March 2025.

Market Risk: Interest Rate Risk

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

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. 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.

Notes to the Core Statements

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. The Treasury Management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and is used to update the budget on a quarterly basis. This allows for any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out should be on fixed or variable rates.

Market Risk: Price Risk

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £10 million. A 5% fall in commercial property prices at 31 March 2026 would result in a £0.220million (2023 - 2024: £0.215 million) charge to Surplus or Deficit on the Provision of Services which is then transferred to the Pooled Investment Funds Adjustment Account.

Market Risk: Foreign Exchange Risk

The Council does not currently invest in any fund which is subject to Foreign Exchange risk.

38. Interest in Companies

The Council holds a majority interest in the following companies:

Company	Company Number	Registration	Date Incorporated
Suffolk Group Holdings Limited	09570600		01 May 2015
A 50% interest in: Edmundham Developments LLP	OC442315		17 May 2022
And held a minority interest in: Suffolk Norse Limited	07911392		16 January 2012

Suffolk Group Holdings Ltd

Suffolk Group Holdings Ltd was incorporated to become the parent company of Vertas Group Ltd, Opus People Solutions Ltd and Concertus Design and Property Consultants Ltd, companies in which the Council held controlling interests. The Holding company issued 100 £1 ordinary shares to the Council. The Council's shareholdings in Vertas Group, Concertus and Opus were transferred to the Holding company on 1 April 2016.

Edmundham Developments LLP

Edmundham Developments LLP is a joint venture entered into between the Council and Lovell Partnerships Limited. The venture is controlled 50/50 between the partners and is formed with the intention of developing land owned by the Council for residential use using the expertise of Lovell Partnerships, a part of the Morgan Sindall Group of companies. There has been no external trading in the current year.

Suffolk Norse Limited

Suffolk Norse Limited is a joint venture between Suffolk County Council and Norse Commercial Services Limited, a company ultimately controlled by Norfolk County Council. The Council holds 2 £1 ordinary shares representing 20% of the share capital of the Company.

Suffolk Norse Limited was formed to provide transport services to Suffolk County Council. The contract for this ended during 2021 - 2022. At the last balance sheet date, 31 March 2024, the Council held the investment at nil value. Following the cessation of the contract the Council has no ongoing liability in relation to Suffolk Norse and the company is to be dissolved.

For further details of the Councils transactions with these companies and the structures of the companies held by Suffolk Group Holdings please see note 26: Related Parties.

Notes to the Core Statements

Please refer to the prepared Group Accounts that begin on page 103. The statements are intended to present financial information about the parent (the Council) and then additionally reflect the Council's share of Suffolk Group Holdings net assets, expenditure and income in a unified set of accounts.

39. Publicity

There is no longer the requirement for authorities to publish this information in their statement of accounts. However, Suffolk County Council is continuing with the note in the interest of transparency.

The table below details the Council's spending on publicity.

2023 - 2024		2024 - 2025	
£ million		£ million	
0.435	Staff recruitment	0.359	
0.534	Other advertising	0.462	
<u>0.968</u>		<u>0.821</u>	

40. Going Concern

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

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

Although the Council is currently managing its finances through a period of particular challenge and uncertainty, a combination of effective financial management and an overachievement against its savings target in 2024 – 2025 enabled it to deliver an underspend of £6.859 million against its 2024 – 2025 Revenue Budget. This underspend, combined with an increase in earmarked and capital reserves, led to an increase in the Council's usable reserves during 2024 – 2025, from £180.067 million to £202.178 million. Of its £202.178 million of usable reserves, £62.055 million are unallocated, a figure equivalent to approximately for-weeks of operating expenditure.

The 2025 – 2026 Budget was approved by Council on 13 February 2025. The 2025 – 2026 Revenue Budget component of this was balanced without the need for a drawdown from unallocated reserves. The £62.055 million balance is therefore forecast to remain intact during 2025 – 2026. However, there is an emerging budget gap over the period of the 2025 – 2029 Medium-Term Financial Plan agreed as part of the 2025 – 2026 Budget, with this gap forecast to rise to £96.185 million by 2028 – 2029. **Table 1** below shows how unallocated reserves would fall over the period of the 2025 – 2029 Medium-Term Financial Plan.

Notes to the Core Statements

Table 1 – Unallocated Reserves Forecasts

	2025 - 2026 £ million	2026 - 2027 £ million	2027 - 2028 £ million	2028 - 2029 £ million **
Opening Balance *	62.055	62.055	28.979	-37.116
Planning application in 2025 - 2026	0.000			
2026 - 2027 Budget Gap		-33.076		
2027 - 2028 Budget Gap			-66.095	
2028 - 2029 Budget Gap				-96.185
Forecast Closing Balance	62.055	28.979	-37.116	-133.301

* Actual for 2025 - 2026, forecast for subsequent years
 ** Figure is indicative as existing local government reorganisation plans involve a new unitary council(s) existing from 1 April 2028

Whereas **Table 1** indicates that the Council would have positive unallocated reserves until 2027 – 2028, it should be noted that, first, there is significant uncertainty in funding levels in future years with a local government funding review set to occur during the latter half of 2025 and, second, no savings or efficiencies have yet been developed to mitigate the budget gap. Given the Council's track record of delivering savings, and given that similar large budget gaps have been reported in previous medium-term financial plans, it is reasonable to expect that the Council would be able to develop and deliver savings programmes to close at least some of the budget gap in the years ahead.

The Council has continued to experience ever-increasing pressures on its budgets funded from Dedicated Schools Grant (DSG) during 2024 - 2025 due to continuing rising costs for Special Educational Needs and Disabilities provision. This led to the negative balance on the DSG Reserve increasing by £43.536 million to a negative balance of £97.638 million by 31 March 2025. Although a statutory override permits the Council to hold a negative balance on its DSG Reserve and not recognise it as a usable reserve, this override is due to expire on 31 March 2028. **Table 2** below shows the actual and forecast balances on usable and DSG reserves at 31 March 2025, 31 March 2026 and 31 March 2027. This illustrates that, whereas the Council is forecast to hold a positive balance on its combined usable and DSG reserves as at 31 March 2026, this is not forecast to be the case as at 31 March 2027, when the negative balance on the DSG reserve is forecast to exceed the balance on usable reserves. Although working capital balances, of which £123.200 million were held as at 31 March 2025, would help offset any negative reserve balances in 2026 – 2027 to avoid the Council's external borrowing from exceeding the Council's Authorised Limit for borrowing under the Prudential Code, this would not be sustainable longer term.

Table 2 – Usable and Dedicated Schools Grant Reserves Forecast

	31 March 2025 £ million	Movement in 2025 - 2026 as per 2025 - 2026 Budget £million	31 March 2026 £ million	Movement in 2026 - 2027 as per 2025 - 2026 Budget £million	31 March 2027 £ million
Usable Reserves	202.178	-19.808	182.370	-4.968	177.402
Dedicated Schools Grant Reserve	-97.638	-62.175	-159.813	-86.463	-246.276
Total	104.540	-81.983	22.557	-91.431	-68.874

In conclusion, the Council has adequate plans and sufficient financial resilience to have reasonable confidence that it will remain a going concern through 2025 – 2026. Beyond this point, further action will need to be taken, both by the Council and National Government, to ensure that the Council's finances remain resilient over the longer term. In particular, this will require that sufficient steps are taken to address the causes for the continuing deficits on budgets funded from the Dedicated Schools Grant (DSG). It is recognised that Local Government

Notes to the Core Statements

Reorganisation will impact onto the Council and considerations of going concern, both with the planned creation of the Combined Mayoral Authority from 1 April 2026, and new Unitary Council arrangements from 1 April 2028. This will involve working in conjunction with other Councils in the area to ensure that going concern considerations with regard to the new authorities are recognised to ensure their projected financial strength and sustainability is fully understood.

Group Accounts – Introduction

Group Accounts

Introduction to the Group Accounts

The 2024 - 2025 Code of Practice on Local Authority Accounting in the United Kingdom sets out the requirements for group accounts, requiring Local Authorities to consider all their interests in subsidiaries, associates, or joint ventures.

The Council has a relationship with other companies and organisations whose assets and liabilities are not included in the Council's single entity accounts. Where the Council's interest does not extend to a relationship that could be classed as a subsidiary, associate or joint venture, those entities have not been included in the Group Accounts.

The Council does have interests in, or control over, several companies that are classified as a subsidiary, associate, or joint venture. Details of the organisations falling within the Council's group boundary are as follows:

The Council's subsidiaries:

Suffolk Group Holdings Ltd; the parent of the companies noted below.

- 1) Vertas Group Ltd, who own:
 - Oakpark Security Systems Ltd
 - Churchill Catering Ltd
 - Vertas Environmental Ltd
 - Verse Facilities Management Ltd
 - Vertas (Ipswich) Ltd
 - Diamond View Cleaning Solutions Ltd
 - Suffolk Skills Academy Ltd
 - Vertas CC Ltd
 - Vertas (Derbyshire) Ltd
 - Vertas (Derbyshire) Traded Ltd
- 2) Opus People Solutions Group Ltd, who own:
 - Opus People Solutions East Ltd
 - Opus People Solution Ltd
 - Opus Teach Ltd
- 3) Concertus Design and Property Consultants Ltd, who own:
 - Concertus Suffolk Ltd
 - Concertus Derbyshire Ltd
 - Concertus Derbyshire Traded Ltd

The Council is a participant in the following Joint Ventures:

- Edmundham Developments LLP

The Council also has the following associates:

- Suffolk Libraries Industrial and Provident Society Ltd
- Leading Lives Industrial and Provident Society Ltd
- Realise Futures Community Interest Company

Suffolk Group Holdings Ltd

Suffolk Group Holdings Ltd was created in 2015 to allow Suffolk County Council to consolidate its shareholdings in subsidiary organisations within a single entity. The Council maintains both officer and Councillor representation within the board of Suffolk Group Holdings Ltd. The Board receive regular reports of the activities and results of the groups subsidiary organisations to provide a single point of oversight and management for these divested organisations.

The Council's shareholdings in Vertas Group Ltd, Opus People Solutions Ltd, and Concertus Design and Property Consultants Ltd were transferred to Suffolk Group Holdings in April 2016.

The Council owns 100% of the shareholding of Suffolk Group Holdings Ltd.

Group Accounts – Introduction

Vertas Group Ltd

Vertas Group Ltd was created in 2011 as a wholly owned subsidiary of the Council and began trading on 1 November 2011. The company has a Joint Venture, Verse Facilities Management Ltd, with West Suffolk Council, and another Vertas (Derbyshire) Limited, with Derbyshire County Council. Vertas (Derbyshire) Limited owns a subsidiary names Vertas (Derbyshire) Traded Ltd. Vertas Group Ltd also has several wholly owned subsidiary companies as listed above.

Suffolk Group Holdings owns 100% of the shareholding of Vertas Group Ltd. The Council also made a loan to Vertas Group Ltd of £2.430 million at the point of inception and a loan of £1.000 million to Schools Choice, a now dissolved subsidiary of Vertas, upon inception which was subsequently amalgamated with the loan to Vertas Group Ltd. The balance of the loan was settled within 2021 - 2022.

The principal activities of Vertas Group Ltd are to provide Catering, Grounds, Caretaking, Cleaning, Facilities Management and Design and Print services to the Council and its subsidiaries, schools and other public sector organisations.

Opus People Solutions Group Ltd

Opus People Solutions Group (Opus) was created in 2014 as a wholly owned subsidiary of the Council. The company has a joint venture, Opus People Solutions East Ltd with Cambridgeshire County Council, Northamptonshire County Council, and Milton Keynes Council.

Suffolk Group Holdings owns 100% of the shareholding of Opus People Solutions Ltd.

The principal activities of Opus People Solutions Ltd are the provision of temporary staff and recruitment services to the Council and its subsidiaries, and other public and private sector organisations.

Concertus Design and Property Consultants Ltd

Concertus Design and Property Consultants Ltd (Concertus) was created in 2013 as a wholly owned subsidiary of the Council. The company has three wholly owned subsidiary companies listed above, as well as a Joint Venture with Derbyshire County Council; Concertus Derbyshire Ltd.

Suffolk Group Holdings owns 100% of the shareholding of Concertus Design and Property Consultants Ltd. The Council made a loan to Concertus of £1.000 million at inception, with a further £2.500 million secured loan in 2016 - 2017. Both loans have now been cleared with final settlement in 2022 - 2023

The principal activity of Concertus is the provision of design and property consultancy services to the Council, schools, and other public sector organisations.

Of its subsidiaries and associates falling within the Council's group boundary, Suffolk Group Holdings Ltd and its subsidiaries are considered material to the financial statements and this organisation has been consolidated in the Group Accounts.

Edmundham Developments Ltd

Edmundham Developments LLP is a joint venture entered into between the Council and Lovell Partnerships Limited. The venture is controlled 50/50 between the partners and is formed with the intention of developing land owned by the Council for residential use using the expertise of Lovell Partnerships, a part of the Morgan Sindall Group of companies.

As the company is a Joint Venture which the Council does not wholly control the council only consolidates its share of the operational profits or losses of the organisation within its group accounts. In the current year there has been no external trading through the company, the company has generated a small operational loss of £0.380 million during its initial setup, 50% of which is attributable to the Council.

For further details on transactions with these entities please see note 26 related parties.

Basis of Consolidation

The Group Accounts have been prepared using the 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

Group Accounts – Introduction

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.

Group Accounting Policies

The accounting policies used in the preparation of the Group Accounts are the same as for the single entity accounts of Suffolk County Council as set out on pages 32 – 43.

Group Accounts – Comprehensive Income and Expenditure Account

2023 - 2024			2024 - 2025		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£ million	£ million	£ million	Notes £ million	£ million	£ million
465.726	-126.914	338.812		500.905	-147.431
531.312	-321.377	209.935		589.937	-358.275
67.520	-58.977	8.543		78.539	-63.980
29.079	-5.191	23.888		30.626	-4.515
124.408	-64.197	60.211		132.678	-74.141
55.712	-13.146	42.566		51.538	-13.610
6.806	-0.075	6.731		7.134	-0.165
-0.612	0.000	-0.612		-1.396	0.000
197.971	-171.123	26.848		204.250	-173.521
0.095	0.000	0.095		0.066	0.000
1,478.017	-761.000	717.017		1,594.277	-835.638
		Net cost of services/Total Continuing Operations			758.639
19.313	-0.406	18.907	G1	19.916	-0.260
25.241	-2.740	22.501	G2	39.345	-3.181
0.000	-720.186	-720.186	G3	0.000	-789.902
1,522.571	-1,484.332	38.239		1,653.538	-1,628.981
		Surplus (-)/Deficit on Provision of Services			24.557
		0.157 Tax expenses of Subsidiaries			0.000
		38.396			24.557
		Group Surplus (-) / Deficit			
		-37.332 Surplus on revaluation & restatements of Property Plant and Equipment assets			-23.930
		17.473 Remeasurement of the net defined benefit liability			-3.756
		0.000 Surplus or deficit on revaluation of available for sale financial assets			0.000
		-19.859			-27.686
		Other Comprehensive Income and Expenditure			
		18.537			-3.129
		Total Comprehensive Income and Expenditure			
		Comprehensive Income and Expenditure attributable to Non-Controlling Interests*			0.248
		-0.546			0.248

*Included within the Group statements are companies formed as Joint Ventures or where the Council or its subsidiaries do not hold 100% of the shareholding within the company. These minority interests (Non-Controlling Interests) are entitled to a share of the results of those companies.

Group Accounts – Movement in Reserves Statement

	Council's Usable Reserves £ million	Suffolk Group Usable Reserves £ million	Total Group Usable Reserves £ million	Council's Unusable Reserves £ million	Suffolk Group Unusable Reserves £ million	Total Group Unusable Reserves £ million	Total Group Reserves £ million
Balance at 31 March 2023	194.754	4.058	198.812	482.583	0.439	483.022	681.834
<u>Movement in Reserves during 2023 - 2024</u>							
Group Surplus or Deficit (-)	-11.467	-27.477	-38.944	0.000	0.000	0.000	-38.944
Other comprehensive income and expenditure	0.000	0.000	0.000	19.859	0.000	19.859	19.859
Total comprehensive income and expenditure	-11.467	-27.477	-38.944	19.859	0.000	19.859	-19.085
Adjustments between Group Accounts and Council Accounts*	-28.758	28.758	0.000	0.000	0.000	0.000	0.000
Adjustments between accounting basis and funding basis under regulations	25.413	0.000	25.413	-25.413	0.000	-25.413	0.000
Increase / Decrease (-) in year	-3.345	28.758	25.413	-25.413	0.000	-25.413	0.000
<u>Transfers to/from (-) Earmarked Reserves</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Balance at 31 March 2024	179.942	5.339	185.281	477.029	0.439	477.468	662.749
Adjustment for Suffolk Group Final Accounts	0.000	-0.041	-0.041	0.000	0.000	0.000	-0.041
Group Surplus or Deficit (-)	5.742	-30.547	-24.805	0.000	0.000	0.000	-24.805
Other comprehensive income and expenditure	0.000	0.000	0.000	27.686	0.000	27.686	27.686
Total comprehensive income and expenditure	5.742	-30.547	-24.805	27.686	0.000	27.686	2.881
Adjustments between Group Accounts and Council Accounts*	-30.692	30.692	0.000	0.000	0.000	0.000	0.000
Net increase / decrease (-) before transfers	-24.950	0.145	-24.805	27.686	0.000	27.686	2.881
Adjustments between accounting basis and funding basis under regulations	46.996	0.000	46.996	-46.996	0.000	-46.996	0.000
Increase / Decrease (-) in year	22.046	0.145	22.191	-19.310	0.000	-19.310	2.881
<u>Transfers to/from (-) Earmarked Reserves</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Reserves in the Movements in Reserves statement	201.988	5.443	207.431	457.719	0.439	458.158	665.589
<u>Minority Interest's share of reserves of subsidiaries</u>	0.000	0.000	0.000	0.000	0.712	0.712	0.712
Balance at 31 March 2025	201.988	5.443	207.431	457.719	1.151	458.870	666.301

* These adjustments primarily relate to the purchase of goods and services between the Council and its subsidiary companies.

There is also an adjustment to the opening balance to account for adjustments made to line up accounting policies prior to the Councils adoption of IFRS 16 accounting for leased assets.

Group Accounts – Balance Sheet

2023-24		2024-25	
£ million		Notes	£ million
1,675.858	Property, Plant and Equipment	G4	1,725.086
7.247	Intangible Assets		7.521
0.882	Heritage Assets		0.895
0.000	Long-term Investments	G5	0.000
15.617	Long-term Debtors	G6	16.686
0.000	Asset related to defined benefit pension scheme		0.000
1,699.604	Total Non Current Assets		1,750.188
49.690	Short Term Investments		49.435
0.816	Assets held for sale		3.960
1.009	Inventories		1.059
161.813	Short Term Debtors	G7	150.640
9.992	Cash and Cash Equivalents	G8	8.220
223.320	Current Assets		213.314
-210.446	Short Term Borrowing		-215.600
-226.354	Short Term Creditors	G9	-185.248
0.000	Short Term Lease Liability		-2.659
-1.979	PFI Liability		-2.013
-4.755	Donated Asset Account		-4.755
-7.588	Provisions		-8.309
-451.122	Current Liabilities		-418.584
-3.771	Provisions		-4.165
-391.722	Long Term Borrowing		-451.296
-54.818	Other Long Term Liabilities	G10	-65.928
0.000	Long Term Lease Liability		-9.942
-32.821	PFI Liability		-33.134
-71.330	Donated Asset Account		-66.575
-207.500	Liability related to defined benefit pension scheme		-201.988
-45.746	Capital Grants Receipts in Advance		-45.399
-0.124	Share of Net Liabilities of Joint Ventures		-0.190
-807.832	Long Term Liabilities		-878.617
663.970	Net Assets		666.301
185.281	Usable Reserves		207.431
478.689	Unusable Reserves		458.870
663.970	Total Reserves		666.301

Group Accounts – Cash Flow Statement

2023 - 2024		2024 - 2025	
<u>£ million</u>		<u>Notes</u>	<u>£ million</u>
38.396	Net surplus (-) or deficit on the provision of services		24.557
-72.234	Adjust net surplus or deficit on the provision of services for non cash movements	G11	-19.918
59.537	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G11	63.263
25.699	Net cash flows from Operating Activities		67.902
16.669	Investing Activities	G12	-11.483
-40.078	Financing Activities	G13	-54.647
2.290	Net increase (-) or decrease in cash and cash equivalents		1.772
12.132	Cash and cash equivalents at the beginning of the reporting period		9.992
0.150	Adjustment for Group Assets reclassified as Cash and cash equivalents at the beginning of the reporting period		
9.992	Cash and cash equivalents at the end of the reporting period		8.220

Group Accounts

Notes to the Group Accounts

Where added value is provided, additional disclosures are presented below in respect of the Group Accounts. These are referenced with a **G** and can be referred to against the main statements of the Group Accounts.

Where there are no changes to values from the accounts of Suffolk County Council then no additional notes have been prepared as these are referred to in the notes in the single entity accounts.

G1. Other Operating Expenditure

2023 - 2024		2024 - 2025
£ million		£ million
0.850	Payments to the Environment Agency	0.850
0.488	Payments to the Eastern Inshore Fisheries and Conservation Authority	0.499
-0.498	Gains/losses on trading operations	-0.452
18.067	Gains/losses on the disposal of non current assets	18.759
18.907	Total	19.656

G2. Financing and Investment Income and Expenditure

2023 - 2024		2024 - 2025
£ million		£ million
26.133	Interest payable and similar charges	29.173
-1.067	Net Interest on the net defined benefit liability	10.255
-2.740	Interest receivable and similar income	-3.181
0.000	Other investment income - dividends receivable	0.000
0.175	Impairment Gains (-)/ Losses	-0.083
22.501	Total	36.164

G3. Taxation and Non-Specific Grant Income

2023 - 2024		2024 - 2025
£ million		£ million
-394.844	Council Tax Income	-420.935
-137.087	Non domestic rates	-146.986
-124.836	Non-ringfenced government grants	-145.102
-5.255	Donated Assets	-15.599
-58.163	Capital grant and contributions	-61.281
-720.186	Total	-789.902

Group Accounts

G4. Property, Plant and Equipment

	Other Land and Buildings £ million	Vehicles Plant and Equipment £ million	Surplus Assets £ million	Right of Use Assets £ million	Assets Under Construction £ million	Total Property, Plant & Equipment £ million	Infrastructure Assets (Reported at Net Book Value only) £ million	Total Property, Plant & Equipment
2023 - 2024								
Suffolk County Council								
Cost or Valuation at 31 March 2024	824.234	53.607	19.461		120.879	1,018.181		
Accumulated Depreciation at 31 March 2024	22.266	33.497	0.140		0.000	55.903		
Net Book Value at 31 March 2024	801.968	20.110	19.321	0.000	120.879	962.278	708.185	1,670.463
Suffolk Group Holdings								
Cost or Valuation at 31 March 2024	3.899	6.871				10.770		
Accumulated Depreciation at 31 March 2024	0.490	4.885				5.375		
Net Book Value at 31 March 2024	3.409	1.986	0.000	0.000	0.000	5.395	0.000	5.395
Group								
Cost or Valuation at 31 March 2024	828.133	60.478	19.461		120.879	1,028.951		
Accumulated Depreciation at 31 March 2024	22.756	38.382	0.140		0.000	61.278		
Net Book Value at 31 March 2024	805.377	22.096	19.321	0.000	120.879	967.673	708.185	1,675.858
2024 - 2025								
Suffolk County Council								
Cost or Valuation at 31 March 2025	806.222	51.469	25.277	18.286	6.118	907.372		
Accumulated Depreciation at 31 March 2025	24.420	32.101	0.306	1.595	0.000	58.422		
Net Book Value at 31 March 2025	781.802	19.368	24.971	16.691	6.118	848.950	863.274	1,712.224
Suffolk Group Holdings								
Cost or Valuation at 31 March 2025	3.786	7.345		10.849		21.980		
Accumulated Depreciation at 31 March 2025	0.451	5.326		3.341		9.118		
Net Book Value at 31 March 2025	3.335	2.019	0.000	7.508	0.000	12.862	0.000	12.862
Group								
Cost or Valuation at 31 March 2025	810.008	58.814	25.277	29.135	6.118	929.352		
Accumulated Depreciation at 31 March 2025	24.871	37.427	0.306	4.936	0.000	67.540		
Net Book Value at 31 March 2025	785.137	21.387	24.971	24.199	6.118	861.812	863.274	1,725.086

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.

The Council 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.

G5. Long-term Investments

31 March 2024		31 March 2025	
£ million		£ million	
0.000	Long Term Investments per Suffolk County Council	0.000	
0.000	Less Investment in Group Companies	0.000	
0.000	Group Investments in subsidiary companies	0.000	
0.000	Total	0.000	

Group Accounts

G6. Long-term Debtors

31 March 2024		31 March 2025
£ million		£ million
15.029	Long-term Debtors per Suffolk County Council	16.011
0.000	Less Loan between Suffolk County Council and subsidiaries	0.000
0.588	Add Group Long-term Debtors	0.675
15.617	Total	16.686

G7. Short Term Debtors

31 March 2024		31 March 2025
£ million		£ million
20.265	Central government bodies	21.886
16.215	Other local authorities	12.215
6.538	NHS bodies	5.942
74.986	Other entities and individuals	75.740
11.623	Council Tax receivable from ratepayers	13.239
4.592	Business Rates receivable from ratepayers	3.148
134.219	Total	132.170
32.415	Group companies	27.057
-4.821	Less intra-Group debtors	-8.587
161.813	Group Total	150.640

G8. Cash and Cash Equivalents

31 March 2024		31 March 2025
£ million		£ million
	Cash held by the Authority	
2.415	Bank current accounts	0.407
2.415	Total	0.407
7.577	Group Cash and Bank Balances	7.813
9.992	Total Group Cash Total	8.220

Group Accounts

G9. Short Term Creditors

31 March 2024		31 March 2025	
£ million		£ million	
-39.729	Central government bodies	-33.910	
-26.120	Other local authorities	-18.311	
-16.993	NHS bodies	-11.064	
-94.514	Other entities and individuals	-79.670	
-10.189	Council Tax payable to ratepayers	-11.310	
-2.635	Business Rates payable to ratepayers	-2.945	
-190.180	Total	-157.210	
-40.995	Suffolk Group	-36.625	
4.821	Less intra-Group creditors	8.587	
-226.354	Group Total	-185.248	

G10. Other Long Term Liabilities

31 March 2024		31 March 2025	
£ million		£ million	
-54.818	Suffolk County Council Long Term Liabilities	-65.705	
0.000	Suffolk Group Long Term Liabilities	-0.223	
-54.818	Total	-65.928	

Group Accounts

G11. Operating Activities

The cashflows for operating activities include the following items:

2023 - 2024 £ million		2024 - 2025 £ million
-54.070	Depreciation	-60.208
-7.560	Impairment and downward revaluations	-11.286
-0.706	Increase/decrease (-) in impairment for bad debts	-1.676
-3.961	Increase (-) / decrease in creditors	74.889
3.559	Increase/decrease (-) in debtors	-13.503
0.076	Increase/decrease (-) in inventories	0.051
6.069	Movement in pension liabilities	1.756
	Carrying amount of non current assets and non current assets held for sale, sold or de-recognised	-22.712
-19.146	Other non cash items charged to the net surplus or deficit on the provision of services	12.771
3.505		
-72.234	Total	-19.918
	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2.152
1.350	Any other items for which the cash effects are investing or financing cashflows	61.111
58.187		
59.537	Total	63.263

G12. Investing Activities

2023 - 2024 £ million		2024 - 2025 £ million
113.916	Purchase of property, plant and equipment and intangible assets	87.259
913.944	Purchase of short-term and long-term investments	1,068.972
-1.350	Proceeds from the sale of property, plant and equipment	-2.152
-908.909	Proceeds from short-term and long-term activities	-1,069.287
-100.932	Other receipts from investing activities	-96.275
16.669	Net cash flows from investing activities	-11.483

Group Accounts

G13. Financing Activities

2023 - 2024		2024 - 2025
£ million		£ million
-352.000	Cash receipts of short and long term borrowings	-272.500
0.000	Other cash receipts from financing activities	0.000
4.021	Cash payments for the reduction of the outstanding liabilities relating to PFI contracts	7.459
309.029	Repayments of short-term and long-term borrowing	209.459
-1.128	Other payments for financing activities	0.935
-40.078	Net cash flows from financing activities	-54.647

Pension Fund Accounts

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Pension Fund Accounts

Fund Account

2023 - 2024 £ million	Fund Account		2024 - 2025 £ million
	Dealings with members, employers and others directly involved in the scheme	Notes	
	Contributions and benefits		
	Contributions receivable:		
	From employers		
103.626	Normal	10	108.520
0.049	Additional	10	0.039
1.064	Other	10	2.766
	From members		
31.263	Normal	10	33.295
	Transfers In		
10.827	Individual transfers in from other schemes		11.933
-	Group transfers in from other schemes		0.000
	Benefits payable:		
-105.625	Pensions	10	-116.134
-19.331	Commutations of pensions and lump sum retirement benefits	10	-23.474
-2.128	Lump sum death benefits	10	-2.711
	Payments to and on account of leavers:		
-0.511	Refunds of Contributions		-0.549
0.000	Exit Credit	10	-2.399
-9.112	Individual transfers out to other schemes		-13.871
-0.083	Group Transfers out to other Schemes		0.000
10.039	Net additions (withdrawals) from dealings with members		-2.585
-14.613	Management Expenses	11	-15.618
-4.574	Net additions (withdrawals) including management expenses		-18.203
	Returns on investments		
	Investment income		
11.840	Income from Pooled Investment Vehicles - Property		12.388
1.294	Income from Pooled Investment Vehicles - Private Equity		1.365
97.085	Income from Other Pooled Investment Vehicles		108.905
0.911	Interest on Cash Deposits		1.191
0.000	Other		0.000
387.368	Change in market value of investments		112.352
498.498	Net returns on investments		236.201
493.924	Net increase, or (decrease), in the fund during the year		217.998
3,758.873	Opening net assets of the scheme		4,252.797
4,252.797	Closing net assets of the scheme		4,470.795

Pension Fund Accounts

Net Asset Statement

2023 - 2024 £ million			2024 - 2025 £ million
	Net Asset Statement	Notes	
	Investment Assets		
	Pooled Investment Vehicles		
972.817	Equities	13,14	1,042.046
990.220	Fixed Income	13,14	1,242.291
1,174.540	Index Tracking	13,14	1,038.361
306.180	Property Unit Trust	13,14	388.770
793.963	Other Managed Funds	13,14	736.716
4,237.720	Total Pooled Investment Vehicles		4,448.184
	Other Investment Balance		
3.570	Cash [held for investment]	13	22.981
3.570	Total Other Investment Balance		22.981
	Investment Liabilities		
0.000	Purchases awaiting settlement	13	-8.422
0.000	Total Investment Liabilities		-8.422
4,241.290	Total Investments		4,462.743
	Current Assets		
12.033	Debtors	22	13.250
7.308	Cash Deposits	19d	3.598
0.000	Cash at Bank	19d	0.042
19.341	Total Current Assets		16.890
	Current Liabilities		
-1.319	Cash at Bank	19d	0.000
-6.515	Creditors	23	-8.838
-7.834	Total Current Liabilities		-8.838
11.507	Net Current Assets		8.052
4,252.797	Net Assets		4,470.795

Pension Fund Accounts

Notes to the Accounts

1. Description of the Fund

The Suffolk Pension Fund is administered by Suffolk County Council. It is a contributory defined benefit scheme established by the Superannuation Act 1972 and governed by the Public Service Pensions Act 2013.

The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pensions Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended).

The Fund provides retirement benefits for employees who are members of the Local Government Pension Scheme (LGPS).

Organisations participating in the Suffolk County Council Pension Fund include:

- Scheduled bodies - local authorities, district and borough councils and other similar bodies such as academies whose staff are automatically entitled to be members of the Fund
- Admitted bodies - voluntary and charitable bodies or private contractors undertaking a local authority function
- Resolution bodies - town and parish councils who formally pass a resolution designating staff to be eligible to join the LGPS.

There are 344 employer organisations with active members within the Scheme as at 31 March 2025, a decrease of 4 from the previous year total of 348. Teachers, Firefighters and NHS staff have their own pension schemes and are not included in the Fund.

The Fund has the following number of members and pensioners:

31 March 2024		31 March 2025
Number of Employees in the Scheme		
7,617	County Council	8,282
15,076	Other Employers	15,570
22,693	Total	23,852
Number of Pensioners		
10,611	County Council	11,035
9,444	Other Employers	10,086
20,055	Total	21,121
Number of Deferred Members		
14,494	County Council	13,730
16,271	Other Employers	15,902
30,765	Total	29,632

Pension Fund Accounts

Funding

Benefits are funded by contributions and investment earnings. Employers' contributions are set based on the triennial actuarial funding valuation in March 2022 for the contributions paid in 2024 – 2025. Employees contributions are paid in line with the LGPS Regulations 2013.

Benefits

Prior to 1 April 2014 pension benefits are based on final pensionable pay and length of service. From 1 April 2014, the scheme became a career average scheme with members accruing benefits based on their current annual pensionable pay at an accrual rate of 1/49th.

2. Events after the Balance Sheet Date

There has been no event between 31 March 2025 and the date when these accounts were authorised for issue that requires any adjustments to these accounts.

On 9 April 2025, the Suffolk Pension Fund was informed by letter from Torsten Bell MP (Minister for Pensions) and Jim McMahon MP (Minister for Local Government) that the ACCESS Asset Pool's proposal in response to the Government's Fit for the Future consultation was not approved and consequently it has been prescribed, that the Suffolk Pension Fund has to join another asset pool.

The Suffolk Pension Fund will be required, by 30 September 2025, to submit an in-principle decision on the LGPS Asset Pool that the Fund will transition to in the future.

3. Significant Changes to the Fund

As part of its annual asset allocation review, the Committee at its meeting on 31 March 2024, agreed to diversify its equity holdings within the ACCESS Pool, this resulted in the following asset allocation changes:

- * Reduce Newton from 12% to 5%
- * Reduce Blackrock from 8% to 5%
- * Reduce UBS Group Low Carbon Fund from 7.5% to 7%
- * Increase Columbia Threadneedle from 1.0% to 1.5%
- * Invest 5% with Baillie Gifford
- * Invest 5% with Longview

The Pension Fund Committee made a decision at the same meeting to disinvest the 4% asset allocation to 5-year gilts, held with UBS Group and invest this into a sterling investment grade credit fund operated by Fidelity within the ACCESS Pool.

These asset allocations were implemented during the financial year in three tranches, June, September and November.

The Pension Fund Committee made a decision to formally appoint CBRE as the Fund's property investment manager at its meeting on 3 June 2024 replacing Schroders. CBRE were appointed to provide UK and Global Property by APEX on behalf of the ACCESS Pool.

The Committee allocated 8% to UK Property and 4% to Global Property this is funded from the 10% allocation to Schroders and a reduction of 2% from UBS Group Climate Aware Fund.

The transition of the UK property held with Schroders to CBRE was implemented on 1 October 2024, the global property investments will happen over time as investment opportunities are identified by CBRE.

The Pension Fund Committee made a decision on 29 November 2024 to allocate 2% of the Fund to the Timberlands asset class, 1% to JP Morgan and 1% to Stafford international. These will be invested over time as investment opportunities are identified by the respective investment managers. These will be funded by reducing M&G and Janus Henderson fixed income investments by 1% each.

Suffolk Pension Fund has £4.001 billion invested within the ACCESS Pool, (£3.361 billion, 31 March 2024), which represents 90% of the Fund's investment assets (79%, 31 March 2024)

4. Basis of Preparation of Pension Fund Accounts

The Statement of Accounts summarises the Fund's transactions for the 2024 - 2025 financial year and its position as at 31 March 2025.

These accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in United Kingdom 2024 - 2025', which is based upon International Financial Reporting Standards (IFRS).

The accounts do not take into account obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS 26) basis, is disclosed in Note 21 of these accounts.

5. Going Concern Statement

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 31 December 2025, management of the Pension Fund have considered the additional qualitative and quantitative key requirements:

The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services.

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out an interim valuation during 2024 - 2025. The Fund's assets were valued at £4.460 billion, with liabilities of £2.770 billion. This has been calculated based on the membership and financial assumptions set for the valuation exercise carried out as at 31 March 2022.

During the March 2022 valuation exercise, the funding level was 107%. The improved funding position resulted in many Employers paying lower contribution rates from 1 April 2023, which will reduce the income from contributions for the following 3 years. All employers within the fund are paying contributions as per the rates and adjustment certificate.

The Fund is cashflow negative by £3.000 million and forecast to be cashflow negative at £6.000 million for 2025 - 2026, meaning that the benefits amount paid out, exceed contributions received from the employers and members of the scheme. The deficit is met through investment income and the return of capital from mature investments.

The Pension Fund has not utilised any borrowing during the 2024 - 2025 financial year or within the 2025 - 2026 financial year to date.

The Pension Fund has an allocation of 42.5% to equities, 28% to Bonds and 0.5% to cash, which are assets that could be liquidated to pay benefits should the need arise.

On this basis, the Pension Fund have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period. For this reason, alongside the statutory guidance, the Fund continues to adopt the going concern basis in preparing these financial statements.

6. Summary of Significant Accounting Policies

6.1 Fund Account - Revenue Recognition

Contribution Income

Normal contributions from members and employers are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate.

Employers' secondary rate contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary.

Pension Fund Accounts

Employers' augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset.

Transfers to and from Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the LGPS Regulations.

Individual transfers in/out of the scheme are accounted for when they have been received/paid, which is when the member's liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included within transfers in.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

Investment income may include withholding tax which is disclosed as a separate item (taxes on income) on the face of the Fund Account. Investment income arising from the underlying investments of Pooled Investment Vehicles is reinvested in the vehicle and reflected in the unit price.

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Asset Statement as a current financial asset.

Income from cash and other investments are accounted for on an accrual's basis.

Distributions from pooled funds are recognised at the date of issue and any amount not received by the end of the reporting period is disclosed in the Net Asset Statement as a current financial asset.

Movement in the Market Value of Investments

Movement in the net market value of investments is recognised as a realised or unrealised, gain or loss, during the year.

6.2 Fund Account - Expenditure

Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Asset Statement as a current financial liability.

Taxation

The Fund is a registered public service pension scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and is exempt from UK income tax on interest received and capital gains tax on proceeds of investments sold.

Income from overseas investments is subject to withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense.

Management Expenses

All management expenses are accounted for on an accrual's basis.

i) Administration Expenses and Oversight and Governance Expenses

Suffolk County Council staff costs are charged to the Pension Fund based on time spent. Accommodation and other overhead costs have also been apportioned.

ii) Investment Management Expenses

Investment management fees and performance fees are agreed in the respective mandates governing their appointment. These fees are based on the market value of the investments under management and therefore increase or decrease as the value of the investments change.

Transaction costs and custody fees are included in investment management expenses.

6.3 Net Asset Statement

Financial Assets

Financial assets are included in the Net Asset Statement on a fair value basis as at the reporting date. A financial asset is recognised on the date the Fund becomes party to the contractual acquisition of the asset. Any gains or losses arising from changes in the fair value from this date are recognised by the Fund.

The value of investments has been determined as follows:

Market Quoted Investments

Managed Funds are valued using the bid market price on 31 March 2025.

Property

Property is valued using the latest available Net Asset Value (NAV) or where a NAV is not available, assumptions based on the probable realisation value.

Unquoted Pooled Investment Vehicles

Unquoted Securities include pooled investments in Infrastructure, Illiquid Debt, Private Equity and Timberlands. Market quotations are not readily available. The value is based on the Fund's share of the net asset using the latest financial statements received from the respective fund manager and adjusted for capital calls and distributions received from that date to 31 March 2025.

Quoted Pooled Investment Vehicles

Pooled Investment Vehicles are valued at the closing bid price or at the closing single price, as available. The change in market value of accumulation funds includes income which is reinvested in the Fund net of applicable withholding tax.

Foreign Currency Transactions

Investments and cash held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate as at 31 March 2025.

Derivatives

Derivative financial instruments are used to manage exposure to specific risks arising from investment activities and are not held for speculative purposes. Derivative contract assets are valued at bid price and liabilities are valued at offer price. Changes in the fair value are included in the change in market value.

Forward Foreign Exchange Contracts outstanding at the year-end are stated at fair value, which is determined as the loss or gain that would arise if the outstanding contract was required to be settled on 31 March 2025.

Cash and Cash Equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes. Bank balances and cash held by the Pension Fund at 31 March 2025 are therefore cash equivalent sums. For short term investments there are no strict criteria to follow relating to the nature and maturity of these items.

The Pension Fund holds short term investments in Money Market Funds for the purpose of obtaining a gain or return.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Pension Fund Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Pension Fund Accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Pension Fund Accounts are 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 of authorisation for issue are not reflected in the Pension Fund Accounts.

Additional Voluntary Contributions

The Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. AVC's are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVC's are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2009/3093) but are disclosed as a note.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial codes.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Asset Statement.

7. Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024 – 2025 requires the disclosure of information relating to the expected impact of changes that will be required by a new standard that has been introduced but not yet adopted and applies to the adoption of the following disclosures as amended in the 2025 - 2026 code.

- IAS 21 - The effects of changes in foreign exchange rate (lack of exchangeability)
- IFRS 17 - Insurance Contracts
- IAS 38 - Intangible Assets - measurement of non-investment assets
- IAS16 Property, Plant and Equipment - measurement of non-investment assets

The code requires implementation of the above disclosures from 1 April 2025. These changes are not considered to have a material effect on the Pension Fund accounts of 2024 - 2025.

8. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 6, the Pension Fund has to make certain judgements about complex transactions or those involving uncertainty about future events. The main critical judgement that the Pension Fund must consider is the Pension Fund actuarial liability.

The Pension Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 20 Funding Position. This estimate is subject to significant variances based on changes to the underlying assumptions.

The methodology used in calculating the Pension Fund's liability, in conjunction with the Fund's investment strategy means that the surplus or deficit can vary significantly over short periods of time, whilst the underlying funding strategy is based on a much longer timeline that smooths out the effects of the extreme market volatility.

9. Assumptions made about the Future and other Sources of Estimation Uncertainty

The Pension Fund Accounts contain estimated figures that are based on assumptions made by the Council about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that actual outcomes could differ from those estimates and there is a risk that these investments may be under or overstated in the accounts. An analysis of the potential market movement range for these holdings is set out in Note 18e.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Pension Fund Accounts

Actuarial Present Value of Promised Retirement Benefits

Estimation of the net liability to pay pensions depends on a number of 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 assets. A firm of consulting actuaries, Hymans Robertson LLP are engaged to provide the Fund with expert advice about the assumptions to be applied.

Property

Pooled property investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. Pooled property funds have derived underlying assets that have been valued by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).

The property investment held with CBRE at 31 March 2025 is £388.770 million.

Private Equity

Private Equity investments are valued at fair value in accordance with IFRS and British Venture Capital Association guidelines. Both Pantheon and Wilshire have established procedures to report fair value on a consistent, transparent and prudent basis. These investments are illiquid and are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The unquoted Private Equity investments at 31 March 2025 are £99.208 million with Pantheon and £3.600 million with Wilshire.

Infrastructure

Infrastructure investments are valued through a fair market value process designed in accordance with IFRS. These investments are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The Infrastructure investments held with Partners, M&G, KKR and JP Morgan at 31 March 2025 are £45.917 million, £52.975 million, £65.094 and £270.110 million respectively.

Illiquid Debt

Illiquid Debt is valued by a valuation agent who will use an independent pricing source to value most loans at market value or a probable realisation valuation method if market quotations are not readily available. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Illiquid Debt is held with M&G and includes the Debt Opportunity investments, the Illiquid Credit Opportunity Fund and the Debt Solutions Fund totalling £20.725 million and Multi Asset Credit Fund's held with Partners Group valued at £105.628 million as at 31 March 2025.

Timber

The Timber investment is a limited liability partnership investment in large-scale high-quality timber assets. The fair value is determined on at least an annual basis with a valuation review performed on a quarterly basis to assess whether there is evidence of a significant change in the investment fundamentals that warrant a change in the fair value. The manager may utilise independent valuations to confirm the reasonableness of internally prepared valuations.

Fair values for Timber is based on comparable purchase and sale transactions, or other accepted valuation techniques that include the discounted cash flow and multiple of earnings approach. Separate appraisals for timber are obtained from independent qualified appraisers at least once every three years or more frequently as required.

The Timber investment at 31 March 2025 is £0.037 million with Brookfield and £15.775 million with JP Morgan.

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10. Contributions Received and Benefits Paid during the Year

2023 - 2024				2024 - 2025		
Employers' Contributions	Employees' Contributions	Benefits Paid		Employers' Contributions	Employees' Contributions	Benefits Paid
£ million	£ million	£ million		£ million	£ million	£ million
37.373	12.562	-58.662	Suffolk County Council	39.565	13.200	-63.992
65.533	18.018	-61.096	Other Scheduled and Resolution Bodies	69.877	19.571	-69.907
1.833	0.683	-7.326	Admitted Bodies	1.883	0.524	-8.420
<u>104.739</u>	<u>31.263</u>	<u>-127.084</u>	Total	<u>111.325</u>	<u>33.295</u>	<u>-142.319</u>

Employer contributions are the ongoing contributions paid into the scheme by the employers in accordance with the rates and adjustments certificate provided by the actuary, which sets out the contribution rates for all the employers in the Fund.

Employer contributions are made up of two elements:

- The primary rate which is the level sufficient to cover all new benefits
- The secondary rate which are the costs associated with sufficiently funding benefits accrued up to the valuation date.

Included within the employer normal contributions of £108.520 million shown in the Fund account, is an amount of £1.660 million which represents the secondary rate paid within the employers' percentage (£1.748 million in 2023 - 2024).

The additional employer contribution identified separately on the Fund account of £0.039 million, (£0.049 million in 2023 - 2024), refers to those employers funding their secondary rate by means of lump sum payments.

Included in the Fund Account is an exit credit amount of £2.399 million for Havebury Housing, who left the scheme, this has been made under Regulation 74,75 and 15 (3) and 64 of the Local Government Pension Scheme (administration) Regulations 2008/2018.

The Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the next three-year period. 2024-2025 was the second year in the three-year period following the 31 March 2022 valuation.

A list of employers and their contribution rates is available on the Suffolk Pension Fund website at www.suffolkpensionfund.org.

11. Management Expenses

2023 - 2024		2024 - 2025
£ million		£ million
12.253	Investment Management Expenses	12.723
1.669	Administration Expenses	2.010
0.692	Oversight and Governance Costs	0.885
<u>14.613</u>		<u>15.618</u>

Management expenses are categorised into investment management expenses, administration expenses and oversight and governance costs in accordance with the CIPFA guidance to Accounting for Local Government Pension Scheme Management Costs.

Pension Fund Accounts

Administration Expenses includes costs associated with members, pensioners and scheme employers. This would include all activities associated with pension administration - staff costs, IT, membership fees and subscriptions.

Oversight and Governance Costs includes costs incurred in the monitoring of investments, investment advisory services, independent advisors, support to the Pension Fund Committee and Pension Board, costs associated with the production of statutory and non-statutory reporting, legal services, actuarial services, audit services and accountancy services.

External audit fees charged by Ernst & Young for 2024 - 2025 were £0.119 million, (£0.094 million 2023 - 2024). The external fee is subject to change, depending on additional charges which may be made by the external auditors on high-risk areas. £0.015 million has been accrued for additional work.

£0.013 million has been received from the Ministry of Housing, Communities and Local Government to support the implementation of the Redmond Review recommendations, to meet the anticipated rise in fees for the 2024 - 2025 audits driven by new audit requirements.

Investment management expenses include costs that are incurred in association with the management of the Pension Fund assets and financial instruments, whether directly invoiced to the fund or deducted from the fund assets. This includes management fees, performance fees and investment transaction costs as below.

2023 - 2024	Management Fees £ million	Performance Fees £ million	Transaction Costs £ million	Total £ million
Assets				
Pooled Investments				
Equities	0.184		0.066	0.250
Index Tracking	0.488			0.488
Fixed Income	0.159		0.432	0.591
Property	1.088			1.088
Absolute Returns	0.291			0.291
Private Equity	1.476	0.000		1.476
Infrastructure	3.689	0.651		4.340
Illiquid Debt	2.724	0.978		3.702
Money Market	-0.013			-0.013
Total Investment Expenses	10.086	1.629	0.498	12.213
Custody	0.040			0.040
Total Investment Management Expenses	10.126	1.629	0.498	12.253

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2024 - 2025	Management Fees	Performance Fees	Transaction Costs	Total
Assets	£ million	£ million	£ million	£ million
Pooled Investments				
Equities	0.236		0.855	1.091
Index Tracking	0.520			0.520
Fixed Income	0.214			0.214
Property	1.258			1.258
Absolute Returns	0.150			0.150
Private Equity	1.421			1.421
Infrastructure	3.215	0.735		3.950
Illiquid Debt	3.003	1.078		4.081
Total Investment Expenses	10.017	1.813	0.855	12.685
Custody	0.038			0.038
Total Investment Management Expenses	10.055	1.813	0.855	12.723

12. Analysis of the Market Value of Investments by Investment Manager

31 March 2024		31 March 2025	
Market Value	Percentage of Assets	Market Value	Percentage of Assets
£ million	%	£ million	%
Investments managed within the ACCESS Pool			
1,963.037	46.30%	2,284.336	51.36%
1,174.539	27.72%	1,038.361	23.34%
223.169	5.27%	285.885	6.43%
-	0.00%	392.296	8.82%
3,360.745	79.29%	4,000.878	89.95%
Investments managed outside the ACCESS Pool			
0.041	0.00%	0.037	0.00%
0.026	0.00%	-	0.00%
43.985	1.04%	65.094	1.46%
97.458	2.30%	73.700	1.66%
13.091	0.31%	12.640	0.28%
161.771	3.82%	140.689	3.16%
165.149	3.90%	151.546	3.41%
69.580	1.64%	-	0.00%
321.619	7.60%	-	0.00%
4.255	0.10%	3.600	0.08%
876.975	20.71%	447.306	10.05%

Waystone are the Authorised Contractual Scheme operator of the ACCESS Pool. The UBS Group, CBRE and JP Morgan investments are managed within the ACCESS Pool on a pool governance basis.

The Northern Trust holding is the surplus cash invested in money market funds.

The Multi Asset Credit mandates with Partners Group, the Infrastructure mandate with Kohlberg, Kravis, Roberts, the Private Equity mandate with Pantheon Ventures Investments, and the Debt Solutions Fund and Infracapital Fund with M&G have been funded as investment opportunities are identified by the investment managers. These investments are funded from surplus cash and from the Pyrford International mandate.

Pension Fund Accounts

The Debt Opportunity mandate with M&G, Private Equity with Wilshire and Infrastructure with Partners Group are mature investments that are returning funds as the investments are realised.

The mandates with Cambridge Research & Innovation Limited, Pyrford International and Schroder Property Investment Management were disinvested during the year.

13. Reconciliation of Movements in Investments and Derivatives

	Opening Market Value 31 March 2023 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2024 £ million
Quoted Pooled Investment Vehicles:					
Equities	827.302	57.112	-60.066	148.469	972.817
Fixed Income	776.447	154.522	-	59.251	990.220
Index Linked	1,006.746	25.000	-39.949	182.743	1,174.540
Other Managed Funds	215.664	291.217	-382.207	17.478	142.152
Unquoted Pooled Investment Vehicles:					
Other Managed Funds	618.757	64.819	-13.184	-18.581	651.811
Property	296.809	24.969	-4.038	-11.560	306.180
Total of Investments	3,741.725	617.639	-499.444	377.800	4,237.720
	Closing Market Value 31 March 2023 £ million	Movement in Cash Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2024 £ million
Other Investment Balances:					
Cash Held for Investment	0.709	3.084	-	-0.223	3.570
Net Investments	0.709	3.084	-	-0.223	3.570

The change in market value of £377.577 million (£377.800 million and -£0.223 million) is £9.791 million different than the change in market value on the Fund Account of £387.368 million. The difference is caused by indirect management fees and transaction costs which are charged against the NAV and not directly to the Fund.

The Pooled Investment Vehicles are managed by fund managers registered in the UK.

Pension Fund Accounts

	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ million
Quoted					
Pooled Investment Vehicles:					
Equities	972.817	35.913	-	33.316	1,042.046
Fixed Income	990.220	237.805	-	14.266	1,242.291
Index Tracking	1,174.540	-	-197.770	61.591	1,038.361
Other Managed Funds	142.152	377.413	-460.948	-0.970	57.647
Unquoted					
Pooled Investment Vehicles:					
Other Managed Funds	651.811	85.974	-49.559	-9.157	679.069
Property	306.180	398.042	-320.350	4.898	388.770
Total of Investments	4,237.720	1,135.147	-1,028.627	103.944	4,448.184
	Opening	Movement in	Impairment of	Change in	Closing
	Market Value	Balance	Investments	Market Value	Market Value
	01 April 2024	£ million	£ million	£ million	31 March 2025
	£ million				£ million
Other Investment Balances:					
Payable for Purchases	-	-8.422	-	-	-8.422
Cash Held for Investment	3.570	19.865	-	-0.454	22.981
Net Investments	3.570	11.443	-	-0.454	14.559

The change in market value of £103.490 million (£103.944 million and -£0.454 million) is £8.862 million different than the change in market value on the Fund Account of £112.352 million. The difference is predominantly caused by indirect management fees and transaction costs which are charged against the NAV and not directly to the Fund.

The Pooled Investment Vehicles are managed by fund managers registered in the UK.

Pension Fund Accounts

14. Analysis of Investments (excluding Cash and Derivatives)

Market Value 31 March 2024		Market Value 31 March 2025	
£ million	£ million	£ million	£ million
Pooled Investment Vehicles - Quoted			
	972.817 Equities		1,042.046
	990.220 Fixed Income		1,242.291
	1,174.540 Index Tracking		1,038.361
Other Managed Funds			
69.580	Absolute Returns	0.000	
28.528	Money Market Funds	16.166	
44.044	Private Equity	41.481	
<u>142.152</u>	Total Quoted Other Managed Funds	<u>57.647</u>	
Pooled Investment Vehicles - Unquoted			
Other Managed Funds			
144.341	Illiquid Debt	126.353	
385.420	Infrastructure	434.096	
122.009	Private Equity	102.808	
0.041	Timberlands	15.812	
<u>651.811</u>	Total Unquoted Other Managed Funds	<u>679.069</u>	
	793.963 Total Other Managed Funds		736.716
	306.180 Property		388.770
<u><u>4,237.720</u></u>	Total		<u><u>4,448.184</u></u>

The table above breaks down the Pooled Investment Vehicles and further analyses the Other Managed Funds. These investments are either quoted (they are traded on an exchange and have a visible market valuation) or unquoted (stocks that are not traded on an exchange and are difficult to value).

15. Holdings Above 5% of the Fund

This is a summary of the individual holdings within the Fund which exceed 5% of the total net assets available to pay benefits as at the balance sheet date.

Market Value 31 March 2024 £ million	Percentage of the Fund 31 March 2024	Asset Type	Manager
657.180	15.49%	Climate Aware	UBS
581.682	13.71%	Global Equity - Newton	Waystone Management UK Ltd
496.417	11.70%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
493.803	11.64%	Fixed Income - M&G	Waystone Management UK Ltd
358.766	8.46%	Low Carbon Transition Fund	UBS
349.411	8.24%	UK Equity - Blackrock	Waystone Management UK Ltd
223.169	5.26%	Infrastructure Investment Fund	JP Morgan

Pension Fund Accounts

Market Value 31 March 2025 £ million	Percentage of the Fund 31 March 2025	Asset Type	Manager
670.470	15.07%	Climate Aware	UBS
538.804	12.11%	Fixed Income - M&G	Waystone Management UK Ltd
531.507	11.95%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
367.890	8.27%	Low Carbon Transition Fund	UBS
308.671	6.94%	Global Equity - Newton	Waystone Management UK Ltd
270.110	6.07%	Infrastructure Investment Fund	JP Morgan
246.749	5.55%	UK Equity - Blackrock	Waystone Management UK Ltd

16. Analysis of Derivatives

The Pension Fund's investment managers are permitted to use derivatives in the management of their mandates, subject to the restrictions set out in the individual manager's investment management agreement. The investment managers will make use of currency hedging for the purpose of reducing exchange rate risk in the investments held in their mandates.

In order to maintain appropriate diversification and to take advantage of overseas investment returns, the fund invests in a Low Carbon Transition Fund holding with UBS, into the sterling hedged version. The holding as at 31 March 2025 was £367.890 million (£358.766 million 31 March 2024)

17a. Financial Instruments – Classification

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The table below analyses the carrying amounts of financial assets and liabilities by category and Net Asset Statement heading, excluding statutory creditors (prepayments from employers, transfer values, lump sum benefit payments, payroll adjustments) and statutory debtors, (employer and employee contributions, VAT, transfer values and capital cost of retirement).

31 March 2024			31 March 2025		
Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million	Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million
Financial Assets					
972.817			1,042.046		
990.220			1,242.291		
1,174.540			1,038.361		
306.180			388.770		
793.963			736.716		
	3.570			22.981	
	2.097			2.658	
	7.308			3.640	
		-1.319			0.000
4,237.720	12.975	-1.319	4,448.184	29.279	0.000
Financial Liabilities					
					-8.422
		-4.133			-2.002
0.000	0.000	-4.133	0.000	0.000	-10.424
4,237.720	12.975	-5.452	4,448.184	29.279	-10.424

The debtor figure of £2.658 million above (£2.097 million at 31 March 2024) excludes statutory debtors of £10.592 million (£9.936 million at 31 March 2024).

The creditor figure of £2.002 million above (£4.133 million at 31 March 2024) excludes statutory creditors of £6.836 million (£2.382 million at 31 March 2024).

No financial assets were reclassified during the accounting period.

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17b. Net Gains and Losses on Financial Instruments

31 March 2024		31 March 2025
£ million	Financial Assets	£ million
377.800	Fair value through profit and loss	103.944
-0.223	Amortised cost - unrealised gains	-0.454
	Financial Liabilities	
0.000	Fair value through profit and loss	0.000
377.577	Total	103.490

18a. Fair Value Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities and quoted index linked securities.

Listed investments are shown at bid price. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Assets classified as level 2 include pooled equity and fixed income investments.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

These instruments would include unquoted investments such as Property, Private Equity, Infrastructure, Illiquid Debt and Timberlands, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

Pension Fund Accounts

18.b Fair Value - Basis of valuation

The basis of valuation for each class of investment asset is set out below:

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Market Quoted Equities Money Market Funds Absolute Returns	Level 1	Published bid market price	N/A	N/A
Index Tracking Equity Pooled Funds	Level 2	Valuation technique with quoted prices of a similar asset	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Fixed Income	Level 2	The prices are published reflecting the NAV at each dealing point but are not exchange traded	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Forward Foreign Exchange derivatives	Level 2	Market exchange rates at the year end	Price of recent transactions for identical instrument	Risk of an exchange rate changing between the transaction date and the subsequent settlement date volatility of the exchange rates during the hedge period
Property	Level 3	Assets are priced based on valuations received from the Managers which are determined in accordance with the last known NAV and adjusted for subsequent capital calls and distributions and other relevant information provided by the property fund.	Pricing inputs are unobservable and includes situations where there is little market activity. Estimated rental growth. Covenant strength for existing tenancies. Discount rate. Land/Building valuation surveys.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices and volumes of sales and purchases
Illiquid Debt	Level 3	The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option adjusted spread models and, if applicable, enterprise valuation.	These techniques may include a number of assumptions relating to variables such as credit risk and interest rates.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Infrastructure	Level 3	The valuation of the investment assets is determined in accordance with generally accepted valuation principles in compliance with article 5(3) of the Luxembourg law of 15 June 2004 on investment companies in risk capital.	Management's cash flow projections. Estimates of growth expectations and profitability. Profit margin expectations. Adjustments to current prices for similar properties	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows and fair value adjustments

Pension Fund Accounts

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Private Equity	Level 3	The valuation of the investments are carried at fair value as determined in good faith by the General Partner in accordance with the terms of the Partnership Agreement and US GAAP.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Timberlands	Level 3	Valuation technique is based on accepted valuation techniques that include discounted cash flow and multiple earnings.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.

18.c Valuation of Financial Instruments Carried at Fair Value

	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Values at 31 March 2024				
Financial Assets				
Fair value through profit and loss	72.571	3,207.158	957.991	4,237.720
Assets at amortised cost	12.975			12.975
Total Financial Assets	85.546	3,207.158	957.991	4,250.695
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilities at amortised cost	-5.452			-5.452
Total Financial Liabilities	-5.452	0.000	0.000	-5.452
Net Financial Assets	80.094	3,207.158	957.991	4,245.243

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	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Values at 31 March 2025				
Financial Assets				
Fair value through profit and loss	57.646	3,322.698	1,067.840	4,448.184
Assets at amortised cost	29.279			29.279
Total Financial Assets	86.925	3,322.698	1,067.840	4,477.464
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilities at amortised cost	-2.002	-8.422		-10.424
Total Financial Liabilities	-2.002	-8.422	0.000	-10.424
Net Financial Assets	84.923	3,314.276	1,067.840	4,467.039

18.d Reconciliation of Fair Value measurements within Level 3

Assets	Opening Market Value 01 April 2023 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2024 £ million
Property	296.809	24.969	-4.038	1.271	-12.831	306.180
Illiquid Debt	106.195	41.773	-5.545	0.022	1.896	144.341
Infrastructure	379.237	19.108	5.307	2.249	15.983	385.420
Private Equity	133.090	3.938	-12.946	9.303	-11.376	122.009
Timberlands	0.235	-	0.000	0.000	-0.194	0.041
Total of Investments	915.566	89.788	-17.222	8.347	-38.488	957.991

Assets	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2025 £ million
Property	306.180	398.042	-320.350	31.006	-26.108	388.770
Illiquid Debt	144.341	8.924	-24.148	0.012	-2.776	126.353
Infrastructure	385.420	58.097	-6.954	0.527	-2.994	434.096
Private Equity	122.009	2.781	-18.457	11.946	-15.471	102.808
Timberlands	0.041	16.172	0.000	0.000	-0.401	15.812
Total of Investments	957.991	484.016	-369.909	43.491	-47.750	1,067.839

Pension Fund Accounts

18.e Sensitivity of assets values at Level 3

An analysis of historical data and expected investment return movements by Hymans Robertson has determined a potential market movement range for the value of the holdings classified as level 3 as below:

	Market Value 31 March 2024 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	306.180	15.6%	353.944	258.416
Illiquid Debt	144.341	7.7%	155.455	133.227
Infrastructure	385.420	13.6%	437.837	333.003
Private Equity	122.009	31.2%	160.076	83.942
Timberlands	0.041	13.6%	0.046	0.035
Total of Investments	957.991		1,107.358	808.623

	Market Value 31 March 2025 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	388.770	15.2%	447.863	329.677
Illiquid Debt	126.353	7.0%	135.197	117.508
Infrastructure	434.096	14.5%	497.040	371.152
Private Equity	102.808	26.6%	130.155	75.461
Timberlands	15.812	14.5%	18.104	13.519
Total of Investments	1,067.839		1,228.359	907.318

19. Nature and Extent of Risks Arising from Financial Instruments

The fund's primary long-term risk is that the fund's assets will fall short of its liabilities of benefits payable to members. The aim therefore of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio.

This risk is minimised through asset diversification to reduce exposure to market risk and credit risk to an acceptable level. The liquidity risk is managed by ensuring there is sufficient liquidity to meet the fund's forecast cash flows, which forms part of the Pension Fund's overall risk management policy.

Responsibility for the fund's risk management strategy rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks and are reviewed regularly to reflect changes in activity and market conditions.

The key risks that have been identified are:

- A. Credit Risk
- B. Liquidity Risk
- C. Market Risk
- D. Interest Rate Risk
- E. Currency Risk
- F. Price Risk
- G. Custody
- H. Investment Management
- I. Sensitivity of Funding position to market conditions and investment performance

A. Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to another party by failing to meet its obligations.

The Fund is exposed to credit risk in its operational activities through securities lending, forward currency contracts and treasury management activities. Commercial credit risk also arises with those organisations that pay monies over to the Fund (debtors) as part of the administration function, principally contributions from employers and transfers in from other registered pension schemes.

The Fund monitors the monthly receipt of contributions from employers. The Funding Strategy Statement requires safeguards to be in place for all new admission agreements to protect the Fund from an employer default, primarily through a guarantee from a tax-backed scheme employer for any new employer in the Fund. An analysis of debtor balances at 31 March 2025 is provided in Note 22.

The Fund's bank account is held with Lloyds Bank Plc, which is also banker to Suffolk County Council the Administering Authority for the Pension Fund. The bank held a Long-Term rating of 'A+' (strong) with Standard and Poor and with Fitch as at March 2025. The management of this cash held for the purpose of managing the cashflow was carried out by the Council's Treasury Management team in accordance with the cash management strategy approved by the Pension Fund Committee. The Fund has had no occasion of default or uncollectable deposits.

The Fund's cash pending allocation for investment, is held within the custody system in the bank account of the custodian, Northern Trust.

At 31 March 2025, £3.640 million was with Lloyds (£5.989 million at March 2024). Cash deposited with Northern Trust amounted to £39.147 million at 31 March 2025 (£16.982 million at March 2024). Previously the Fund held balances in Schroders money market fund, but this has been disinvested during the year (£15.117 million at March 2024).

B. Liquidity Risk

Liquidity risk is the risk that the Fund will have insufficient liquid assets (cash) to meet its investment or benefit obligations as they fall due. The Pension Fund takes steps to ensure it has adequate cash resources to meet its commitments.

The Pension Fund holds sufficient working capital to ensure that it has cash available to meet benefit and transfer payments and cash drawdown requirements in respect of certain investment transactions. Within mandates it is the responsibility of the individual managers to ensure that they have sufficient funds available to meet the transactions they enter into on behalf of the Fund. These responsibilities are detailed within the investment management agreements. At an investment level a large proportion of the Fund's investments are held in instruments that can be realised at short notice if a cash flow need arose. Certain investments, particularly property, unquoted private equity, illiquid debt, timberlands and infrastructure funds are considerably less liquid, but these make up a far smaller proportion of the overall portfolio, £1,067.839 million, 24% (£957.991 million, 23% at March 2024).

C. Market Risk

Market risk is the risk that the fair value of cash flows of a financial instrument will fluctuate due to changes in market sentiment. Market risk reflects interest rate, currency and other price risk.

Market risk is inherent in the investments that the Fund makes. To mitigate market risk the investments are made in a diversified set of asset classes and investment approaches to ensure a risk adjusted balance between categories. The Fund takes formal advice from its independent investment advisers (Hymans Robertson LLP and Mark Stevens), and the portfolio is split between a number of managers and investment strategies with different benchmarks and performance targets. Full details can be found in the investment strategy statement that is available at www.suffolkpensionfund.org. Investment risk and strategy are regularly reviewed by the Pension Fund Committee.

D. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Pension Fund Accounts

The Pension Fund's exposure to interest rate movements from its investments in fixed interest securities and cash and cash equivalents which includes the custodian money market fund and cash held for investment.

The Pension Fund recognises that interest rates can vary and can affect both income to the fund and the value of the net assets. A 100-basis point (BPS) movement in interest rates (equivalent to 1%) is consistent with the level of sensitivity applied as part of the Fund's risk management strategy.

The analysis below, assumes that all other variables remain constant and shows the effect in the year of a +/- 100 BPS change in interest rates on the cash available to pay benefits.

Asset Type	Value as at 31 March 2024 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	5.989	0.060	-0.060
Cash and Cash Equivalent	32.099	0.321	-0.321
Total Assets	38.087	0.381	-0.381

Asset Type	Value as at 31 March 2025 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	3.640	0.036	-0.036
Cash and Cash Equivalent	39.147	0.391	-0.391
Total Assets	42.787	0.427	-0.427

E. Currency Risk

Currency risk is the extent to which the Pension Fund is exposed to fluctuations in exchange rates and the impact these fluctuations have on the sterling valuation of assets denominated in foreign currency.

The one year expected standard deviation for an individual currency as at 31 March 2025 is 9.1% (as provided by Hymans Robertson). This is based on the assumption that there is no diversification with other assets and that all other variables, in particular interest rates remain constant.

The foreign exchange rate movement exposure to the strengthening or weakening of sterling against the various currencies in which the fund holds investments which are not hedged to sterling are as below:

Asset Type	Value as at 31 March 2024 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	623.406	57.977	681.382	565.429
Overseas Index Tracking	1,015.946	94.483	1,110.430	921.463
Alternative Investments	438.053	40.739	478.792	397.314
Total overseas assets	2,077.405	193.199	2,270.604	1,884.206

Pension Fund Accounts

Asset Type	Value as at 31 March 2025 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	795.297	72.372	867.669	722.925
Overseas Index Tracking	1,038.361	94.491	1,132.852	943.870
Alternative Investments	584.911	53.227	638.138	531.684
Total overseas assets	2,418.569	220.090	2,638.659	2,198.479

F. Price Risk

Price risk is the risk of volatility in the valuation of the assets held by the Fund. The level of volatility will vary by asset class and also over time. The Fund has some diversification in the asset classes in which it invests, which seeks to reduce the correlation of price movements between different asset types, while employing specialist investment managers to best deploy capital in line with the Fund's overall strategy.

An analysis of historical data and expected investment return movements by Hymans Robertson has resulted in a potential market movement price risk index for each asset type. If the market price of the fund's investments increase or decrease in line with the potential market movements then the change in the value of the net assets would be as follows:

Asset Type	Value as at 31 March 2024 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	972.817	16.72	1,135.472	810.162
Fixed Income	990.220	7.50	1,064.486	915.953
Index Tracking	1,174.540	15.40	1,355.418	993.660
Cash	3.570	0.30	3.581	3.559
Money Markets	28.528	2.00	29.099	27.958
Property	306.180	15.50	353.638	258.722
Alternatives	765.435	15.80	886.373	644.497
Total Assets	4,241.290		4,828.067	3,654.511

Asset Type	Value as at 31 March 2025 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	1,042.046	18.42	1,233.991	850.101
Fixed Income	1,242.291	6.50	1,323.040	1,161.542
Index Tracking	1,038.361	18.60	1,231.496	845.226
Cash	22.981	0.30	23.050	22.912
Money Markets	16.166	2.00	16.489	15.842
Property	388.770	15.20	447.863	329.677
Alternatives	720.551	15.60	832.957	608.146
Total Assets	4,471.166		5,108.886	3,833.446

G. Custody

The Fund appointed Northern Trust as its global custodian with responsibility for safeguarding the assets of the Fund. Northern Trust is an established custodian bank and were appointed as the Fund's custodian in 2021 following a national framework tendering process. Quarterly reconciliations are performed between the underlying records of the custodian and the appointed investment managers.

H. Investment Management

The Fund has appointed a number of investment managers to manage portions of the Fund. An Investment Management Agreement is in place for each relationship. All appointments meet the requirements set out in the LGPS investment regulations. Managers' report performance on a quarterly basis and this is monitored and reported to Pension Fund Committee. The Fund makes use of a third-party performance measurement service provided by Northern Trust. All managers have regular review meetings and discussions with members of the Pension Fund Committee, officers and the Independent Financial Adviser Mark Stevens.

I. Sensitivity of Funding position to market conditions and investment performance

When preparing the formal valuation, the Actuary takes the assets of the Fund at the market value on the valuation date. Volatility in investment performance as a result of market risk factors can have an immediate effect on the funding level and deficit. This is particularly relevant because the Fund is invested predominantly in riskier (and historically higher return) assets such as equities and equity-like investments (e.g., property trusts). A rise or fall in the level of equity prices can have a direct impact on the financial position of the Fund.

Less obvious is the effect of anticipated investment performance on the Fund's liability to pay future pension benefits. Here the returns available on government bonds (gilts) are important, as the discount rate that is used to place a value on liabilities is the gilt yield at the valuation date plus a margin of 1.8% per annum. Effectively if the gilt yield rises the discount rate will increase and all other things being equal the value placed on liabilities will fall. If the Fund was invested entirely in gilts rather than potentially higher returning assets the discount rate would be lower as no margin for the expected-out performance of the Fund's investments over gilts could be assumed.

20. Funding Position

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period.

An actuarial valuation uses economic and demographic assumptions in order to estimate future liabilities of pensions payable. The assumptions are typically based on a mix of statistical studies and experienced judgement. Hymans Robertson LLP provides the Fund's Actuarial appraisal.

The key elements of the funding policy are:

- To take a prudent long-term view to secure the long-term solvency of the Fund, with sufficient funds to pay benefits to members and their dependents.
- Use a balanced investment strategy to minimise long-term cash contributions from employers for long term efficiency.
- To ensure that employer contributions rates are as stable as possible.
- To reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so.
- To use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension's obligations.

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned.

Formal Valuation

The last formal three-yearly actuarial valuation was carried out as at 31 March 2022. The valuation report sets out the rates of the employer's contributions for the three years starting 1 April 2023. The valuation was based on:

- Meeting the requirements of the Local Government Pension Regulations.
- 100% funding of future liabilities for service completed to 31 March 2022.
- The 'projected unit method' of actuarial valuation.

Financial Assumptions

Financial assumptions typically try to forecast when benefits will come into payment, what form these will take and how much the benefits will cost the Fund in the future. The financial assumptions included in the valuation are as follows:

- Projected investment returns of 3.7% per year.
- Projected increase in future salaries of 3.7% a year.
- Projected pension increases of 2.7% a year. (CPI)

Funding Position

The actuary uses the market value of the Fund's assets as stated in the audited accounts of March 2022. The actuarial assessment of the value of the fund's assets was £3,756 million as at 31 March 2022 and the liabilities at £3,522 million.

The valuation showed that the Fund's assets covered 107% of its liabilities at the valuation date, and the surplus based on the actuarial valuation was £235 million.

Contribution Rates

The Fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members.

Employer contributions are made up of two elements:

- the primary contribution rate – contributions payable to cover all future benefits.
- the secondary contribution rate – costs associated with sufficiently funding benefits accrued up to the valuation date.

The total contribution rate for each employer is then based on:

- the funding target – how much money the Fund aims to hold for each employer.
- the time horizon – the time over which the employer aims to achieve the funding target.
- the likelihood of success – the proportion of modelled scenarios where the funding target is met.

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

The whole fund primary rate (payroll weighted average of the underlying individual employer rates) is 20.0% of pensionable pay for the three years starting 1 April 2023.

The average employee contribution rate is 6.6% of pensionable pay.

The next formal valuation is as at 31 March 2025.

21. Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the Pension Fund liabilities every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015 with transitional protections introduced for older members. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judicial and fire fighters' schemes, as part of the reforms, amounted to unlawful discrimination on the basis of age discrimination. This ruling does have implications for the Local Government Pension Scheme.

As part of the introduced reforms the LGPS changed from a final salary scheme (a pension based on the members salary when they left) to a career average scheme (a pension which is built up based on what the member earned each year)

Older members who were closer to retirement were protected from the changes. This means when a protected member takes their pension, the benefits payable under the career average scheme are compared with the benefits that would have been built up, had the final salary scheme continued and they receive the higher amount. This protection is called the underpin.

To remove the McCloud age discrimination, qualifying younger members will now receive the underpin protection too. This change came into force on 1 October 2023. Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022. From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.

The cost to the Suffolk Pension Fund of the McCloud remedy has been built into the valuation and funding position by the Fund's actuary.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete.

Until this analysis is complete, the Fund is unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, The Suffolk Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

International Accounting Standard 26 (IAS 26)

CIPFA's Code of Practice on Local Authority Accounting 2024 - 2025 requires administering authorities of the LGPS funds that prepare pension fund accounts to disclose what IAS 26 refers to as the actuarial present value of promised retirement benefits.

This is similar to the valuation, but the assumptions used are in line with IAS 19 rather than assumptions tailored to the Suffolk Pension Fund and using a discount rate rather than reflecting market rates.

The following assumptions have been used for the IAS 26 calculation:

- Pension increases of 2.75% a year (3.2% 31 March 2022)
- Increases in future salaries of 3.75% a year (4.2% 31 March 2022)
- Discount Rate of 5.80% per year (2.7% 31 March 2022)

The IAS 26 calculation shows that the present value of promised retirement benefits amount to £2.933 billion as at 31 March 2025 (£4.591 billion as at 31 March 2022). This incorporates an approximate allowance for the potential increase in liabilities arising from the impact of the McCloud judgement.

Pension Fund Accounts

22. Current Debtors

The current debtors can be analysed as below:

31 March 2024 £ million		31 March 2025 £ million
	<u>Debtors</u>	
7.620	Employers Contributions	8.265
2.185	Employee Contributions	2.270
0.700	Investment Assets	1.621
1.264	Sundry Debtors	0.626
0.263	Asset Pooling	0.468
<u>12.033</u>		<u>13.250</u>

23. Current Creditors

The current creditors can be analysed as below:

31 March 2024 £ million		31 March 2025 £ million
	<u>Creditors</u>	
-0.845	Amounts owed to Employers	-4.004
-2.676	Investment Expenses	-0.253
-0.084	Administration and Governance Expenses	-1.698
-0.642	Transfer Values In Adjustment	0.000
-0.731	Lump Sum Benefits	-0.907
-1.537	Sundry creditors	-1.976
<u>-6.515</u>		<u>-8.838</u>

24. Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. In accordance with regulation 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, additional voluntary contributions have been excluded from the Fund Account and Net Asset Statement. These contributions are held by the providers and therefore do not form part of the Fund's investments.

In the summer of 2023, Hymans were commissioned to conduct a review of the Fund's AVC provision and to test the current market and as a result of this exercise recommended Legal & General provide the AVC provision for the Suffolk Pension Fund. This was approved by the Pension Fund Committee on 28 November 2023 and implemented during this financial year.

Members were given the option to remain with their current provider or to transfer to the Legal & General scheme. Some members who held specific investments, with profits and property, were advised that their investments would remain with their current provider, but they could still start a new investment with Legal & General. Those members who are intending to retire within 2 years were also advised to remain with their current provider.

A total of £0.182 million was paid over to the providers Legal & General, Standard Life and Clerical Medical in 2024 - 2025, (£0.086 million 2023 - 2024).

25. Related Party Transactions

Related party transactions requiring disclosure in accordance with IAS 24 are as follows:

Pension Fund Accounts

The Suffolk Pension Fund is administered by Suffolk County Council and consequently there is a strong relationship between the Council and the Pension Fund.

Suffolk County Council is the largest single employer of members of the Pension Fund and contributed £39.565 million to the Fund in 2024 - 2025 (£37.373 million in 2023 - 2024). In addition, the council incurred costs of £1.591 million (£1.411 million in 2023 - 2024) in relation to the administration of the Fund, audit, legal and committee services. These have all been reimbursed by the Fund.

Part of the Pension Fund cash holdings are invested by the Treasury Management operations of Suffolk County Council through the Treasury Management Policy approved by the Pension Fund Committee. During the year ending 31 March 2025, the Fund had an average investment balance of £10.632 million (£10.391 million in 2023 - 2024) earning interest of £0.544 million (£0.487 million in 2023 - 2024) from these investments.

One member of the Pension Fund Committee and five members of the Pension Fund Board are scheme members within the Pension Fund. All members of the Pension Fund Committee and Board are required to declare their interests at each meeting.

26. Key Management Personnel

No senior officer responsible for the administration of the Pension Fund provides any goods or services to the Fund other than those covered by their contract of employment with the Council.

The key management personnel of the Fund are the S151 Officer, Head of Pensions and Lead Accountant (Pensions). The total remuneration payable to the key management personnel by the Suffolk Pension Fund was £0.193 million in 2024 - 2025 (£0.163 million in 2023 - 2024).

These costs are charged to the Pension Fund as governance and oversight costs, Note 11 and are included in the related parties Note 25.

27. Securities Lending

The Suffolk Pension Fund does not operate securities lending however it is undertaken in the pooled holdings operated by Waystone and the proceeds are reflected in the asset value, earning £0.074 million in 2024 - 2025 (£0.021 million in 2023 - 2024).

28. Contractual Commitments

In 2003 the Fund made contractual commitments to private equity funds managed by Wilshire and Pantheon. Commitments are made in the underlying currency of the funds (\$103.131 million and €41.288 million) and are therefore subject to volatility (risk) arising from exchange rate fluctuation. This volatility will impact both the value of unfunded commitments in sterling terms and the valuation of the funded interest and monies received as distributions. At 31 March 2025 the unfunded commitment (monies to be drawn in future periods) is \$6.772 million and €1.626 million. The commitments are paid over the investment timeframe of the underlying partnerships.

In 2011 - 2012 a contractual commitment of €54 million was made to an infrastructure investment (Partners Group Global Infrastructure 2012) managed by Partners Group. As at 31 March 2025 7% of the total commitment has been released, leaving €1.649m outstanding.

In 2015 - 2016 contractual commitments of \$149.500 million were made to private equity investments managed by Pantheon. Some draw downs on the commitments have been made and the outstanding amounts to 31 March 2025 are \$19.426 million.

In 2016 - 2017 the Pension Fund made additional contractual commitments to M & G, of £60 million in the Greenfield infrastructure fund. The outstanding amount is £1.720 million.

Pension Fund Accounts

During 2017 - 2018 a contractual commitment was made to an infrastructure investment (Partners Group Global Infrastructure 2015) managed by Partners Group of €55 million, the outstanding amount as at 31 March 2025 is €8.314 million.

During 2020 - 2021 a contractual commitment of £75 million was made to the Mult Asset Credit Fund with Partners Group. The undrawn amount at the end of the year is £4.185 million.

During 2021 - 2022 a contractual commitment of \$84 million was made to the Global Infrastructure Fund IV with KKR. \$12.545 million remains outstanding.

During 2022 - 2023 a contractual commitment of £75 million was made to the Multi Asset Credit Fund VII with Partners Group. £24.303 million remains outstanding.

During 2024 - 2025 a contractual commitment of \$56 million was made in Timber, managed by JP Morgan (Campbell Global Forest and Climate Solutions Fund II). At 31 March 2025 the unfunded commitment is \$35.638 million.

During 2024 - 2025 contractual commitments were made in Timber, managed by Stafford. Commitments of \$21 million (International Timberland Fund X) and \$10 million (Carbon Offset Opportunity Fund) were made. No capital has been paid during the financial year.

A summary of the commitments converted into sterling is as overleaf:

Asset Class	2024 - 2025		
	Commitment £ million	Drawn £ million	Outstanding £ million
Private Equity			
Wilshire (2003-2008)	35.946	33.710	2.236
Pantheon (2003-2010)	44.737	40.364	4.373
Pantheon (2015)	115.825	100.775	15.050
Total Private Equity	196.508	174.849	21.659
Infrastructure			
Partners (2012)	45.191	43.810	1.381
Partners (2016)	46.028	39.070	6.958
M&G (2016)	60.000	58.280	1.720
KKR (IV)	65.078	55.359	9.719
Total Infrastructure	216.297	196.519	19.778
Timber			
JP Morgan (II)	43.385	15.775	27.610
Stafford (X)	16.270	0.000	16.270
Stafford (Carbon)	7.747	0.000	7.747
Total Infrastructure	67.402	15.775	51.627
Illiquid Debt			
Multi Asset Credit VI	75.000	70.815	4.185
Multi Asset Credit VII	75.000	50.697	24.303
Total Illiquid Debt	150.000	121.512	28.488

Fire Pension Fund Statement

Fire Pension Fund Statement

2023 - 2024		2024 - 2025
£ million	Fund Account	£ million
	Contributions Receivable	
	From Employer	
2.810	Normal	5.103
1.540	From members	3.161
0.118	Transfers In	0.000
	Benefits Payable	
-7.990	Pensions	-10.584
-1.027	Commutations and Lump Sum retirement benefits	-3.126
-0.157	Lump Sum Death benefits	0.000
-0.140	Other	-0.048
-4.846	Net amount payable (-) for the year before top-up grant	-5.494
4.972	Total grant received	9.548
4.972	Top-up grant received from MHCLG	3.197
0.000	Matthews grant received from MHCLG	5.600
0.000	McCloud grant received from MHCLG	0.750
-0.126	Net amount payable from/to(-) sponsoring department	-4.054

2023 - 2024		2024 - 2025
£ million	Net Assets Statement	£ million
-0.126	Net current assets and liabilities	-4.054

1. Administration of the Fire Pension Scheme

The Fire Pension Fund is administered by Suffolk County Council following financial guidance issued in April 2006 by the Ministry of Housing, Communities and Local Government (MHCLG). The fund for the pensions of Fire Fighters has no assets and is balanced to nil each year by receipt of a pension top-up grant from the Home Office.

2. Preparation of the Fire Pension Scheme

The Fire Pension Fund is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2024 - 2025. The accounts are prepared on an accrual's basis. This means that, within material levels, income and expenditure is recognised in the accounts in the accounting period in which the effect of the relevant transactions take place and not in the period in which cash is received or paid. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Ministry of Housing, Communities and Local Government and the Home Office and subject to triennial revaluation by the Government Actuary's Department.

3. Accounting for liabilities and other benefits arising after period end.

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the current financial year. Information on the Council's long-term pension's obligations can be found in the main statements in note 33.

4. Additional grant income 2024-25

The Firefighters' Pension Scheme McCloud and Matthews remedy grants were received from the Home Office in 2024 - 2025. Before 2006 on-call firefighters did not have any entitlement to membership of the Firefighters Pension Scheme, which benefited only full-time firefighters. The original Matthews remedy (via an options exercise in 2014 - 2015) allowed on-call firefighters the option to purchase service between 1 July 2000 and 5 April 2000. Following a challenge at the European Court of Justice a ruling now allows on-call firefighters to purchase service backdated to the start of their employment where a member has continuous retained service. The McCloud judgment ruled that the government had discriminated against younger members of the pension scheme by implementing the Firefighters' Pension Scheme 2015, which had different rules for different age groups. The judgment provides affected firefighters with the options to choose which scheme they prefer to be in for the period between April 2015 and March 2022. If the change of scheme results in a loss during the remedy period, the firefighter maybe eligible for compensation. The grants allocated to the Council will be used to support the cost of any compensation payments. The Fire Pension Statement shows the total contributions and benefits payable with regards to Firefighters including Matthews in 2024 - 2025 (No benefit payments for McCloud has yet taken place).

Glossary of Terms

This is a list of terms used in the accounts and what they mean.

Accruals basis

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March.

Accumulated Absences Account

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

Actuarial gains and losses

The changes in actuarial losses or gains happen because:

- Events have not coincided with assumptions made by the actuary at the last valuation; or
- the actuary's assumptions have changed.

Actuarial valuation

An actuarial valuation measures a pension fund's ability to meet its long term liabilities (future costs). The actuary looks at the likely increase in the value of the fund and the probable payments out of the fund. The difference between the two is the amount that the Council has put into the fund.

Agent

The Council acts as an agent on behalf of Central Government with regards to the receipt of grants, when it is just transferred through to a third party and the Council can not make any decision over its use.

Amortised

The measure of the wearing out, consumption or other reduction in the useful economic life of an intangible asset.

Asset

An Asset is something of value owned by the Council.

Asset Ceiling

The asset ceiling is the present value of any reductions in future contributions to the local government pension scheme

Assets held for sale

Assets held for sale are assets that are anticipated to be sold within the next year, rather than continue to be used by the Council. They are measured at market value.

Billing Authority

The Districts and Borough Councils within Suffolk who are responsible for the collection of council tax and non-domestic (business) rates.

Budget

A statement of spending plans for a financial year, which starts on 1 April and ends on the following 31 March.

Capital adjustment account

A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

Capital expenditure

Spending on assets that have a long term value, for example, land, buildings, equipment and vehicles.

Capital receipts

Income received on the sale of a capital asset.

Cash and cash equivalents

Cash is represented by notes and coins held by the Council and deposits available on demand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Carrying amount

Glossary

Carrying amount refers to the value at which an asset/liability is held in the balance sheet. It is the most recent valuation of the asset/liability net of any depreciation/amortisation.

CCG

Clinical Commissioning Group of the NHS.

CIPFA

The Chartered Institute of Public Finance and Accountancy. CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the Code.

Community assets

These assets include public areas within Suffolk such as parks and other open spaces.

Contingent asset

Contingent assets are possible or present assets that arise from past events whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Council's control. Contingent assets are not recognised in the Comprehensive Income and Expenditure Statement.

Contingent liability

Contingent liabilities are possible or present obligations that arise from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. Contingent liabilities are not recognised in the Comprehensive Income and Expenditure Statement.

Creditors

A person or organisation that the Council owes money to at the 31 March.

Current assets

Short term assets which change in value such as inventories, debtors and bank balances.

Current liabilities

Short term liabilities which are due to be paid in less than one year, such as bank overdrafts and money owed to suppliers.

Current Service Cost

An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account contains the difference between the amount of income from Council Tax and Business Rates included in the Comprehensive Income and Expenditure account and the amount required by regulation to be credited to the General Fund.

Componentisation

Each part of an asset with a cost that is significant in relation to the total cost of an asset is held separately in the asset register and depreciated separately.

De minimis

The term used to describe a lower limit of a transaction below which no action is needed.

Debtors

A person or organisation that owes the Council money at the 31 March.

Dedicated School Grant Adjustment Account

The dedicated school grant adjustment account is an account established, charged and used solely for the purpose of recognising deficits in respect of schools budgets.

Deferred liabilities

Deferred liabilities are liabilities which are payable at some point in the future or paid off by an annual sum over a period.

Defined benefit scheme

The calculation of the pension due using the employee's final salary or career average and the number of years they have paid into the scheme multiplied by a set fraction.

Defined contribution scheme

A pension scheme with no assets to meet the pension liabilities and cash is generated to meet the actual pension payments.

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Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset.

Donated Assets

Assets transferred to the Council for nil consideration.

Earmarked reserves

Monies set aside for a specific purpose.

Finance 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.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another. The term "financial instrument" covers both financial assets and financial liabilities and includes the most straightforward of financial assets and liabilities such as trade receivables (debtors) and trade payables (creditors).

General Fund

The General Fund is the main revenue fund from which service costs are met.

Government grants

Support from the Government, government agencies and similar organisations (whether local, national or international) in the form of cash or transfers of assets to the Council. In return, the Council must carry out its activities in line with certain conditions.

Gross expenditure

The cost of providing Council services before allowing for government grants or other income.

Heritage Assets

Assets held principally for contribution to knowledge and culture.

Historical Cost

The original cost of an asset/liability to the Council at the date it was acquired/recognised on the balance sheet.

IAS

International Accounting Standard.

IFRS

International Financial Reporting Standards (IFRS) is a set of accounting standards developed by the International Accounting Standards Board (IASB) to provide a global framework for how organisations prepare and disclose their financial statements.

Impairment

A reduction in value of a fixed asset resulting from, for example, fall in market values, obsolescence or physical damage. To comply with accounting standards, the Council undertakes annual reviews of its assets to identify any assets which have been impaired.

Incremental Borrowing Rate

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Infrastructure Assets

Fixed assets that cannot be sold, transferred or removed. Examples of infrastructure assets are highways and footpaths.

Intangible assets

An asset with no physical substance but is identifiable and is controlled by the Council.

Integrated Care Systems

In July 2022 integrated care systems (ICSs) became legally established through the Health and Care Act 2022 and CCGs (Clinical Commissioning Groups) were closed down. ICSs are partnerships of organisations that

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come together to plan and pay for health and care services to improve the lives of people who live and work in their area. Each ICS has two statutory elements, an integrated care partnership and an integrated care board.

Inventories

Goods bought which have not been used.

Investments (Non-Pension Funds)

A long-term investment in the activities of the Council is an investment that is intended to be held for continuing use. Investments are also classified in this way only where the investors can show they intend to hold the investment for the long term or where there are restrictions on their ability to sell the investment.

Investments which do not meet these conditions are classed as current assets.

Lender's Option Borrower's Option (LOBO) - loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

Liability

An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Long Term Debtor

These debtors represent the capital income still to be received, for example, from the sale of an asset or the granting of a loan.

Materiality

An item is material if its omission, non-disclosure, or misstatement in financial statements could be expected to lead to a distortion of the view given by financial statements.

Minimum Revenue Provision

A minimum amount, set by law, which the Council must charge to the Revenue Account to provide for debt redemption or for the discharge of other credit liabilities.

Net book value

The amount at which fixed assets are included in the balance sheet. This means their original cost or current value less the amount allowed for wear and tear (depreciation).

Net cost of services

This comprises all expenditure minus all income, other than precept and transfers from reserves.

Non-current asset

An asset which is intended to be used for several years such as a building or a vehicle.

Non-current liability

Liabilities which are due to be paid in one year or more, such as a loan with a payback period of longer than one year.

Operating lease

An operating lease is any lease that is not a finance lease.

Pay

Pay is defined in the latest CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This definition includes the following:

- Gross pay (before the deduction of employees' pension contributions)
- Compensation for loss of office and any other payments receivable on termination of employment
- Expense allowances chargeable to tax and other benefits (as declared on HM Revenue & Customs form P11D)

Post balance sheet events

Those events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the statement of accounts is signed by the responsible financial officer.

Precept

The levying of a rate by one authority which is collected by another. Suffolk County Council precepts upon the borough and district councils' collection funds for its income but some bodies, e.g. the Environment Agency, precept upon Suffolk County Council.

Provision

Glossary

An amount set aside to provide for a liability that is likely to be incurred but where the exact amount and the date on which it will arise are uncertain.

Projected unit credit method of actuarial valuation

An accrued-benefits valuation method is one in which the scheme liabilities allow for projected earnings. An accrued-benefits valuation method is the scheme liabilities at the valuation date in relation to:

- the benefits for pensioners and deferred pensioners (that is, individuals who are no longer active members but are entitled to benefits at a later date) and their dependants, allowing where appropriate for future increases; and
- the accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time.

Private Finance Initiative (PFI)

This provides a way of funding major capital investments by working with private consortia.

Public Works Loans Board (PWLB)

A government controlled agency that provides a source of borrowing for public authorities.

Related parties

Two or more parties (individuals or organisations) 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 controlled by the same source;
- one party has influence over the financial and operational policies of the other party, so the other party might not always feel free to follow its own separate interests; or
- the parties, in entering a transaction, are influenced by the same source to such an extent that one of the parties to the transaction has given favourable conditions to the other because of this outside influence.

Remaining useful life

The length of time that a fixed asset is expected to be operational.

Revaluation reserve

This account contains the difference between the values of the Councils assets based on historical cost and more recent valuations.

Revenue expenditure funded by capital under statute (REFCUS)

Spending which does not result in the creation of a fixed asset but which by law the Council must treat as capital spending and can finance by capital sources including borrowing and capital grants.

Right-of-Use Asset

An asset representing the lessee's right to use an asset over the life span of a lease.

Section 151 Officer

Section 151 of the Local Government Act 1972 requires the Council to appoint an officer responsible for the proper administration of the Council's financial affairs.

Settlements

Agreements that end the Councils responsibility to pay pensions to people, for example, when people move to another pension scheme.

Single entity accounts

Financial statements prepared for an organisation as a distinct and independent body. These do not include assets, liabilities, expenditure or income owned or incurred by another body in which the organisation has an interest, such as a joint venture.

Straight-line calculation

A way of working out the repayment of an amount spread equally over a period of time.

Subsidiary

The Council, normally through shareholding, controls an organisation – it has the power to govern its financial and operating policies so as to benefit from its activities.

Surplus

The remaining income after taking away all expenses.

Triennial Valuation

A valuation carried out on the Pension Fund every three years, to estimate the future benefit payments from the Fund and the total value of those payments, based on assumptions about the future.

Usable Reserve

A usable reserve represents resources the Council can use to support service delivery. Some usable reserve hold restrictions on their use depending on legislation.

Unusable Reserve

Unusable reserves are not available to support delivery of services. The reserves are in place for statutory adjustments, required to reconcile balances to the amounts chargeable to council tax, in order to comply with legislation.

Usable capital receipts

The proportion of the proceeds arising from the sale of fixed assets that can be used to finance capital expenditure or repay debt.