

Suffolk County Council

Statement of Accounts

2025 - 2026



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Suffolk County Council

Statement of Accounts

for the year ended **31 March 2026**

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Auditor's Report

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Auditors Report

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 are planned to be approved by the Audit Committee at its meeting on 25 November 2026 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 2026, 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 2026 and its income and expenditure for the year to that date.



Louise Aynsley
Chief Financial Officer (Section 151 Officer)
29 June 2026

Narrative Report

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 786,000, a higher proportion of which are over 65-years of age (24.2%) than the national average (18.7%). The natural environment is a key asset for Suffolk, and its countryside and coastline are a major tourist attraction, with this being a significant reason for people choosing 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 nonetheless small, but significant, pockets of deprivation in its towns and in some of its rural areas. Employment levels are above the national average, with 79.7% of the working age population being employed in Suffolk compared to 75.8% 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 ambitions for 2022 - 2026 were:
- To promote and support the health and wellbeing of all people in Suffolk;
 - To strengthen Suffolk's local economy;
 - To protect and enhance Suffolk's environment;
 - To provide value for money for the Suffolk taxpayer;
- 1.1.3 On the basis of the plans to overhaul the way in which Council services are to be delivered through the process of Local Government Reorganisation, the Council produced an Annual Plan Interim Statement for the 2025 - 2026 year instead of its usual Annual Plan. This outlined the progress made to date against its four corporate ambitions, alongside targets for further progress to be made until the end of the 2025 - 2026 financial year. Details of the specific indicators used by the Council to assess its performance are available on the [Corporate Performance and Risk Management](#) pages of the Council's website, with further detail provided on certain key indicators provided within Section 2 of this report.
- 1.1.4 County Council elections were held on 7 May 2026. This resulted in Reform UK winning 41 of the 70 available seats and forming a new Administration. It is expected that the Council's direction and strategy from 2026 - 2027 will change to reflect the new Administration's priorities and ambitions.

1.2 Devolution and Local Government Reorganisation

- 1.2.1 On 16 December 2024, the Government published its English Devolution White Paper. If implemented, its proposals will lead to the end of Suffolk's 50-year-old two-tier council structure, with the Government looking to abolish county, borough and district councils, and replace them with new unitary councils and combined authorities led by directly-elected mayors.

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- 1.2.2 Under the proposals, all six of Suffolk's district, borough and county councils would be disbanded, and replaced with one or more unitary authorities providing all council services within one or more geographical areas. Suffolk was identified as one of the counties to be placed on a fast-track Devolution Priority Programme (DPP) which would see new unitary councils come into existence on 1 April 2028, replacing the six-predecessor district, borough and county councils. The DPP also planned for the creation of a Norfolk & Suffolk Mayoral Combined County Authority, with an election of a mayor to preside over that Authority in May 2026. However, this date for this election has now been delayed to May 2028 to enable local government reorganisation to complete.
- 1.2.3 Following the submission of business cases by Suffolk's district, borough and county councils, on 25 March 2026, Government decided to replace Suffolk's existing councils with three new unitary councils covering Western Suffolk, Central and Eastern Suffolk, and Ipswich and Southern Suffolk, with a view to these coming into being on 1 April 2028.
- 1.2.4 However, the new Reform UK Administration has indicated it will seek a judicial review if ministers proceed with their plans for local government reorganisation within the county, and has issued a pre-action protocol letter, setting out its concerns that the decision is unlawful. Cabinet is set to meet on 29 June 2026 to consider how to proceed with planning for local government reorganisation.

1.3 2024 - 2025 Statement of Accounts and Audit

- 1.3.1 The Draft Unaudited Statement of Accounts for 2024 - 2025 was signed off by the Chief Financial Officer (S151 Officer) and published on the Suffolk County Council website on the 27 June 2025, within the statutory deadline of 30 June 2025.
- 1.3.2 On 30 September 2024, The Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) came into effect which replaced the previous statutory publishing deadlines for the accounts with a set of statutory backstop dates for each financial year. For 2024 - 2025, this backstop date was 27 February 2026. In order to meet these deadlines and reduce the local audit backlog, the strategy was taken by the Council's external auditors, Ernst & Young LLP (EY), in 2022 - 2023 to only conduct a limited audit, which whilst leading to disclaimed audit opinions for the previous two financial years, has meant that the 2024 - 2025 audit has been able to return to a normal timeframe.
- 1.3.3 The Auditors' Annual Report for 2024 - 2025 was presented to Audit Committee by EY on 27 November 2025. This report brought together all of EY's work relating to its 2024 - 2025 audit, including both a commentary on its assessment of the Council's arrangements for delivering value for money, and confirmation of its opinion given on the financial statements. Overall, the report was clear that the 2024 - 2025 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.
- 1.3.4 EY provided a 'qualified' opinion on the Statement of Accounts for 2024 - 2025 on 26 January 2026, well in advance of the 27 February 2026 backstop date. A 'qualified' audit opinion indicates that financial statements have been fairly presented, except for a specific identified issue. In this case this would be the scope limitation of the audit as assurance has not been rebuilt on specific balances. This is progress from the 'disclaimed' opinions issued for 2022 -2023 and 2023 - 2024, and is in line with EY's plans to rebuild full assurance for the Council's 2026 - 2027 Statement of Accounts.

2.0 Service Provision

- 2.1.1 There was one change to the Directorate structure over this period, with the 0-19 Years Healthy Child Services transferring from the Children and Young People Directorate to the Public Health and Communities Directorate from 12 January 2026. In addition, libraries provision within the county was brought back in-house from 1 June 2025 under the name of Suffolk Community Libraries, with provision transferring from Suffolk Libraries, an independent charity who had managed this service since 2012. Responsibility for library provision remained with the Public Health and Communities Directorate.

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2.1.2 Alongside these changes there were various changes to senior personnel, details of which are outlined below:

- a. The Executive Director of Corporate Services left the Council's employment on 31 May 2025;
- b. The Executive Director of Growth, Highways and Infrastructure was appointed as Deputy Chief Executive with effect from 20 June 2025. He held this role alongside his Executive Director role.
- c. The Executive Director for Organisational Change and Local Government Reorganisation was appointed on 14 July 2025. This was a new role for the Council.

2.1.3 The Chief Executive's last day of employment at the Council was 31 March 2026. She was replaced by two joint Chief Executives from 1 April 2026. The two new Chief Executives were both Council employees at the point of their appointment and having held the roles of Deputy Chief Executive / Executive Director of Growth, Highways and Infrastructure, and Executive Director for Organisational Change and Local Government Reorganisation.

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 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 2025 - 2026 include:

- a. 18,984 customers were receiving purchased care (16,000 in 2024 - 2025);
- b. 133,000 residential care bed-weeks (130,000 in 2024 - 2025), and 33,126 nursing care bed-weeks (32,500 in 2024 - 2025), were provided;
- c. 4.1 million hours of external homecare were delivered (3.8 million hours in 2024 - 2025);
- d. 9,219 people were actively supported with digital devices to assist with care provision (7,700 people in 2024 - 2025).

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 Services (to 11 January 2026), 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 2025 - 2026 include:

- a. 78 maintained schools (92 in 2024 - 2025) and 245 academies and free schools (231 in 2024 - 2025) operated within the county;
- b. 949 children were in care (911 in 2024 - 2025), of which 80 were unaccompanied asylum seekers (103 in 2024 - 2025);
- c. 473 children were subject to a Child Protection Plan (424 in 2024 - 2025);
- d. 11,985 Education, Health & Care plans were in place (10,130 in 2024 - 2025).

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. The Directorate also took on responsibility for 0-19 Years Healthy Child Services from 12 January 2026 from the Children and Young People's Directorate. Key metrics within the Directorate as at the end of 2025 - 2026 include:

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- a. 1,881,017 physical books, CDs and DVDs (2,017,994 in 2024 - 2025), and 2,266,763 electronic books, music, films and publications (2,134,059 in 2024 - 2025) were issued through the Suffolk Library Service;
- b. 5,803 residents were supported to quit smoking (3,266 in 2024 - 2025);
- c. Since the Homes for Ukraine Scheme opened in March 2022, Suffolk has welcomed 1,800 Ukrainian guests into the county. As of 31 March 2026, 210 guests remain hosted. Those who are no longer hosted have either moved away from Suffolk, left the UK, or set up their own home;
- d. 12,877 applications were approved for Local Welfare Assistance Support (13,417 in 2024 - 2025).

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 2025 - 2026 include:

- a. 35 fire stations with four shift stations, two-day crew stations, and 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 2024 - 2025;
- b. 4,768 incidents were attended in 2025- 2026, down from 5,969 incidents in 2024 - 2025.
- c. 4,691 home fire safety visits took place in 2025 - 2026, up from 4,673 in 2024 - 2025.
- d. 620 fire safety audits took place in 2025 - 2026, down from 857 in 2024 - 2025.

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 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. In addition, it has a lead role in supporting Suffolk's economy and delivering sustainable infrastructure and the promotion of more housing delivery. Key metrics within the Directorate in 2025 - 2026 include:

- a. Maintenance of 4,347 miles of road in 2025 - 2026, up from 4,270 miles in 2024 - 2025 due to new adoptions;
- b. Maintenance of 154,078 drainage gullies in 2025 - 2026, up from 142,545 in 2024 - 2025, with this increase due to a combination of new adoptions, alongside the re-discovery of assets not previously recorded on the inventory;
- c. Maintenance of 1,979 structures in 2025 - 2026, up from 1,718 in 2024 - 2025, with the increase being due to the figures now including significant Public Rights of Way structures;
- d. 12,485 children transported to and from school, up from 11,534 in 2024 - 2025;
- e. 77,534 passenger journeys supported via Connecting Communities, down from 82,104 in 2024 - 2025;
- f. 126,712 tonnes of waste from households reused, recycled and composted, down from 136,439 in 2024 - 2025, with this reduction being due to a dry summer in 2025;
- g. 1,052,808 customer visits to Recycling Centres in 2024 - 2025, up from 1,007,047 in 2024 - 2025.

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2.7 The **Corporate Services Directorate** is responsible for providing professional backbone 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, Registration Services and Customer and Online Services.

3.0 Resident Satisfaction

The Council ran "Local Matters - We Are Listening" events across the county during 2025 - 2026, holding events in 12 locations. As well as discussing local issues, these events provided an opportunity to talk to residents about the upcoming changes through Local Government Reorganisation. In addition, the Council held an extensive consultation on its 2026 - 2027 Budget, receiving 1,211 responses.

4.0 Financial Performance

4.0.1 The Cabinet has received quarterly budget monitoring reports during the year and is set to receive a detailed report of the financial outturn position for 2025 - 2026 at its meeting on 14 July 2026. The following paragraphs summarise the outturn position.

4.1 2025 - 2026 Revenue Budget - Summary

4.1.1 At its meeting on 13 February 2025, the Council set its 2025 - 2026 Revenue Budget. This consisted of a Net Expenditure Budget of £803.672 million (i.e. the expenditure budget after fees, charges, contributions and some specific grants have been deducted) and a corresponding £803.672 million Core Funding Budget comprising local taxation (i.e. Council Tax and Business Rates) which funds 75% of the budget, and a range of Government grants which fund 25%.

4.1.2 Following the approval of the 2025 - 2026 Revenue Budget, the Department of Health & Social Care increased the ringfenced Public Health Grant for 2025 - 2026 to £35.127 million, which was £1.402 million more than the £33.725 million figure within the 2025 - 2026 Revenue Budget. 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 £1.402 million. The impact of this budget increase led to the 2025 - 2026 Net Expenditure and Core Funding Budgets both increasing from £803.672 million to £805.074 million.

4.1.4 The Council's final outturn for 2025 - 2026 is a £14.957 million overspend against its Revenue Budget. This comprises and is summarised in **Table 1**:

- a) a £16.262 million overspend against its expenditure resourced by its Core Funding Budget, the details of which are covered in the paragraphs below; partially offset by
- b) a £1.305 million over-achievement of income against its Core Funding Budget. This is due to a combination of an £0.945 million increase in Business Rates income due to a decrease in bad debt provisions across Suffolk's billing authorities, and a £0.360 million increase in the grant provided by Government to cover the additional costs of employer's National Insurance Contributions following the rise announced in the Chancellor's 2024 Autumn Budget, with this difference being due to the timing of the grant announcement being after the 2025 - 2026 Budget was set.

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Table 1: 2025 - 2026 Revenue Budget Outturn Summary

	2025 - 2026 Budget £million	2025 - 2026 Outturn £million	Variance £million
Net Expenditure	805.074	821.336	16.262
Core Funding	-805.074	-806.379	-1.305
Total	-	14.957	14.957

4.1.5 In addition to the variance against the Net Expenditure Budget resourced from core funding, the Council overspent by £70.248 million against services funded from its Dedicated Schools Grant. This primarily relates to pressures relating to Special Educational Needs & Disabilities provision.

4.2 2025 - 2026 Revenue Budget - Explanation of Key Variances

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

Table 2a: 2025 - 2026 Net Expenditure Budget versus Outturn by Directorate

	2025 - 2026 Budget £million	2025 - 2026 Outturn £million	Variance £million
Adult Social Care	372.267	380.487	8.219
Children & Young People	209.634	217.611	7.977
Public Health & Communities	45.015	44.914	-0.101
Fire & Public Safety	34.262	35.058	0.796
Growth, Highways & Infrastructure	54.031	49.790	-4.241
Corporate Services	43.404	41.840	-1.564
Central Resources & Capital Financing	46.461	51.636	5.175
Total	805.073	821.336	16.262

Table 2b: 2025 - 2026 Dedicated Schools Grant Budget versus Outturn

	2025 - 2026 Budget £million	2025 - 2026 Outturn £million	Variance £million
Schools Block	114.335	113.251	-1.084
High Needs Block	96.435	168.827	72.392
Early Years Block	92.439	91.467	-0.972
Central Services Schools Block	5.067	4.979	-0.088
School Grants	24.283	24.283	0.000
Services funded from Dedicated Schools Grant and Pupil Premium Grant	332.559	402.807	70.248

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* 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.

2025 - 2026 Revenue Budget - Adult Social Care (ASC)

4.2.3 Adult Social Care (ASC) overspent by £8.219 million in 2025 - 2026 against a budget of £372.267 million (2.2% variance). The main pressure was in Care Purchasing, which overspent by £10.203 million, with customer numbers and care hours reaching record levels by the end of 2025 - 2026. This reflects national demand pressures in adult social care, with councils across England forecasting a £623 million overspend in 2025 - 2026, compounded by above-average demand pressures within Suffolk because of its older and faster-growing population.

4.2.4 Although Transformation programmes within ASC, such as People First and Independent Lives, have helped mitigate demand, delivering £109.101 million of savings since 2018 - 2019, including £24.578 million in 2025 - 2026, these savings were not enough to offset rising demand fully.

4.2.5 The overspend in Care Purchasing was partly offset by £1.984 million underspends in non-care budgets, mainly from staff vacancies.

2025 - 2026 Revenue Budget - Children and Young People's Services (CYP)

4.2.6 In 2025 - 2026, the Children and Young People Services Directorate recorded a £7.977 million overspend on core-funded budgets. The main pressure was in Children's Social Care and Youth Justice, which overspent by £10.021 million. This was driven by:

- a. £2.227 million of transformation savings unable to be delivered in-year,
- b. £5.658 million overspend in Children-in-Care (CiC),
- c. £0.926 million in Children with Disabilities, and
- d. £1.192 million in social care fieldwork teams.

4.2.7 The Children-in-Care overspend reflects both higher numbers of children entering care and increased placement costs, particularly for children with more complex needs requiring specialist residential provision. Average placement costs rose by 16%, although cost avoidance work did help to reduce pressures, and mitigated the overspend by £3.1 million.

4.2.8 Other notable variances included:

- a. a £1.028 million underspend in Education and Learning from vacancies and additional grant funding received to support costs,
- b. a £1.803 million overspend in Inclusion, largely from temporary staffing, respite grants, and remedy payments,
- c. a £2.061 million underspend in Mainstream Home-to-School Travel as a result of savings delivered in 2024-25 continuing into 2025-26 which were over and above the agreed £1.000 million savings target for 2025-26, and
- d. a £0.417 million underspend in SEND Home-to-School Travel.

4.2.9 In summary, the directorate's financial position was dominated by increasing demand and complexity in children's social care, especially placements for children in care and disabled children, partly offset by vacancy savings, additional grant funding received to support costs, and transport underspends.

4.2.10 In addition to provision resourced from core funding, the Council administered Dedicated Schools Grant (DSG) (incorporating Pupil Premium Grant) of £332.559 million. Expenditure exceeded the available grant by £70.248 million. This was due to a £72.392 million overspend against the High Needs Block

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element of DSG due to continuing increases in demand for provision in Special Educational Needs and Disabilities (SEND), with this offset by relatively small underspends against the Early Years and Schools Block elements of DSG.

- 4.2.11 The overspend against the High Needs Block is consistent with the 18% increase in Education Health and Care Plans, with these rising from 10,130 to 11,985 during 2025 - 2026, with the part of a 87% increase in EHCPs since 2018 - 2019. The Government have recognised that funding is insufficient to meet demand for SEND provision and have agreed to pay a High Needs Stability Grant equating to 90% of DSG deficits accumulated to 31 March 2026, subject to the Department for Education approving a Local SEND Reform Plan.

2025 - 2026 Revenue Budget - Public Health & Communities

- 4.2.12 The Public Health and Communities Directorate recorded a £0.101 million underspend in 2025 - 2026. The underspend mainly came from additional cost recovery resulting from eligible support and overhead costs being recharged to grant-funded activity. The year-end position was also enabled by a drawdown from Public Health Grant Reserve to cover £0.5 million of additional costs within Children's Community Health Services.

2025 - 2026 Revenue Budget - Fire & Public Safety

- 4.2.13 Fire and Public Safety Directorate overspent by £0.796 million in 2025 - 2026. This was mainly due to staffing costs within Suffolk Fire and Rescue Service (SFRS) resulting mainly from the driest Spring on record driving up operational deployment costs, as well as additional staff due to an enhanced control room resource-to-risk model.

2025 - 2026 Revenue Budget - Growth, Highways & Infrastructure

- 4.2.14 The Growth, Highways and Infrastructure Directorate reported a £4.241 million underspend in 2025 - 2026. The most significant variances were a £1.848 million underspend within Environment and Waste and a £1.661 million underspend within Transport Strategy.
- 4.2.15 The underspend within Environment and Waste was largely due to higher-than-budgeted third-party income at the Energy-from-Waste facility and lower garden waste tonnage whilst the underspend in Transport Strategy was due to the application and backdating of corporate overhead recovery to Sizewell technical fees, alongside smaller one-off income and grant-related benefits.

2025 - 2026 Revenue Budget - Corporate Services

- 4.2.16 The Corporate Services Directorate delivered a net underspend of £1.564 million in 2025 - 2026. This was driven mainly by significant underspends in Governance, Legal and Assurance (£1.254 million), Customer Experience and Digital (£0.677 million), and Human Resources and Organisation Development (£0.215 million), which more than offset smaller overspends in Communications and Public Affairs, Corporate Property, Assets and Investments, Finance and Internal Audit, and the Chief Executive Officer's area. The underspend in Governance, Legal and Assurance was principally within Legal Services and due to a combination of vacancy management and additional income from Temporary Traffic Regulation Orders.

2025 - 2026 Revenue Budget - Central Costs & Capital Financing

- 4.2.17 The Central Costs and Capital Financing budget recorded an overspend of £5.175 million in 2025 - 2026. This is due to a combination of factors, including:

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- a. Fit-for-the-Future Programme delivering £2.523 million less savings than planned following a review to align the programme with the Council's wider Devolution and Local Government Reorganisation agenda.
 - b. The centrally held staff pay budget reporting a £1.428 million overspend, reflecting both the impact of the 2025 - 2026 pay awards and a £0.591 million pressure carried forward from 2024 - 2025.
 - c. The Suffolk Group Holdings dividend budget undershooting its target by £1.150 million, as profits remained below the level assumed in the stretch budget, despite some improvement on the previous year.
- 4.2.18 Whereas there was a £6.403 million underspend within Capital Financing driven mainly by lower-than-expected external borrowing requirements supported by higher usable reserves and slippage in the capital programme, in line with policy, this underspend is transferred to the Capital Financing Reserve to reduce support the future funding of the Capital Programme rather than contributing to the Central Costs and Capital Financing variance and improving the Net Expenditure Budget position.

4.3 2025 - 2029 Capital Programme - 2025 - 2026 Budget versus Outturn

- 4.3.1 The Council's 2025 - 2029 Capital Programme contains budgets for each financial year within it, of which performance against the 2025 - 2026 Budget is considered in this section. **Table 3** shows the 2025 - 2026 Budget compared to the 2025 - 2026 outturn.

Table 3: 2025- 2029 Capital Programme: 2025 - 2026 Budget versus 2025 - 2026 Outturn

	2025 - 2026 Budget (£million)	2025 - 2026 Outturn (£million)	Variance (£million)
By Directorate:			
Adult Social Care	1.982	2.211	0.229
Children & Young People	57.957	27.830	-30.127
Growth, Highways & Infrastructure	106.996	75.614	-31.381
Corporate Services	12.056	8.341	-3.716
Fire & Public Safety	8.058	1.131	-6.926
Public Health & Communities	1.520	0.322	-1.198
Total	188.569	115.449	-73.120
Financed by:			
Grants	110.656	82.646	-28.009
Other Contributions	22.265	9.194	-13.071
Capital Receipts	9.343	1.717	-7.625
Revenue Funding	11.520	10.179	-1.342
Borrowing	34.786	11.713	-23.073
Total	188.569	115.449	-73.120

- 4.3.2 At its meeting on 13 February 2025, the Council approved a 2025 - 2029 Capital Programme totalling £361.778 million. As a result of £100.256 million of budgets being carried forward due to underspends in 2024 - 2025, and £55.543 million of further updates and approvals during 2025 - 2026, the 2025 - 2029 Capital Programme Budget increased to £517.578 million by 31 March 2026. Of this figure, £188.569 million related to the 2025 - 2026 budget element of the 2025 - 2029 Capital Programme. Against this, £115.449 million was spent during 2025 - 2026, leading to a budget variance of £73.120 million. Of this, £75.623 million represents budgets that are to be carried forward into the 2026 - 2027 Capital Programme Budget, whilst £2.503 million represents net budget overspends. The following

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paragraphs provide further narrative on performance against the 2025 - 2026 Capital Programme Budget.

4.3.3 Expenditure on the **Adult Social Care** Capital Programme in 2025 - 2026 included the following key element:

- a. £2.190 million was spent on community equipment, £0.338 million more than budgeted. This investment enables individuals to maximise their independence and remain in their home for longer, and helps to reduce care costs;

4.3.4 Expenditure on the **Children & Young People** Capital Programme in 2025 - 2026 comprised the following key elements:

- a. A £27.032 million budget was set for schemes to provide new school places in areas of new housing, of which £11.911 million was spent in 2025 - 2026, and £15.121 million carried forward into 2026 - 2027. Expenditure was less than budgeted due to a combination of planning and design issues, and changes in the rate of housing development which generates demand for new school places.
- b. A £14.798 million budget was set for new facilities to enable the provision of education to children with Special Educational Needs & Disabilities (SEND), of which £7.060 million was spent in 2025 - 2026 with progress aligned to the priorities identified in the report to Cabinet on 1 April 2025 in which the SEND Capital Programme was updated following a re-programming exercise resulting from increased demand and further provision requirements being identified, with the remaining budget of £7.739 million was carried forward into 2026 - 2027.
- c. A £4.796 million budget was set for school condition maintenance schemes, of which £4.534 million was spent in 2025 - 2026, with the remaining £0.261 million carried forward into 2026 - 2027;
- d. A £5.581 million budget on early years and childcare schemes, of which £1.082 million was spent in 2025 - 2026, with the remaining £4.498 million carried forward into 2026 - 2027. Delays were caused by a combination of difficulties in finding temporary accommodation whilst works take place and issues with land usage.
- e. A £3.908 million budget on children's homes, of which £1.890 million was spent in 2025 - 2026, with the remaining £2.018 million carried forward into 2026 - 2027, with this budget being under review to ensure future expenditure provides the best possible value for money.

4.3.5 The **Fire & Public Safety** Capital Programme in 2024 - 2025 spent £1.131 million against its £8.058 million budget. The underspend primarily related to the re-profiling of spend on the vehicles renewals due to delivery delays and agreed extensions to vehicle life.

4.3.6 Expenditure on the **Growth, Highways & Infrastructure** Capital Programme in 2025 - 2026 included the following key elements:

- a. £47.626 million on Highways schemes, of which £41.347 million was incurred on various highways capital maintenance projects across the county, £3.221 million was incurred on key footways and drainage improvements, and £1.457 million was incurred on residential resurfacing schemes. This represents a £2.798 million overspend against the 2025 - 2026 budget of £44.828 million. The overspend is due to a backlog of final claims from the contractor associated with emergency safety defect works, rather than the works themselves. Over the past year, the Council has worked with the contractor to increase capacity and improve processes in this area. Part of the 2026 - 2027 Budget allocation has been accelerated into 2025 - 2026 to fund the overspend, reducing the 2026 - 2027 Budget allocation accordingly.
- b. £15.099 million on Environment & Waste schemes, of which £2.088 million related to the Council's Household Waste Recycling Centre Programme, £3.383 million related to Waste Transfer Station Upgrades and £5.286 million relates to grants to improve energy efficiency

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schemes across the county. However, the expenditure compares to a £25.553 million budget for 2025 - 2026, representing a £10.454 million underspend. The reason for the variance was a combination of re-profiling on various schemes, in particular, £3.269 million on the Household Waste Recycling Centre Programme due to complicated technical issues causing delays in securing planning permission at Stowmarket Household Recycling Centre and £4.804 million on the Local Electric Vehicle Charge Points Programme reflecting the extended period required to secure Government approvals.

- c. £0.924 million on site development activity, including funding planning applications and purchasing land to unlock sites, with the aim of achieving best value from Council land, including £0.441 million on the North Lowestoft Garden Village, with the remainder on various other sites across the county. This was £0.450 million more than budget, and relates to additional complexity in the planning process, including third-party land and cost overruns where the Council is obliged to meet associated planning costs. It is expected that the Council will be able to recoup this when it disposes of the sites.
- d. £10.778 million on Transport Strategy schemes. This represented a significant £21.152 million underspend against the £31.930 million budget for 2025 - 2026. 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 later than original expectations, with the final business case is due to be submitted later in 2026. Active Travel Schemes have experienced delays nationally, including within Suffolk. While work has progressed in some areas, several projects required design amendments following public engagement, delaying the start of construction. The service is working with the Council's highways contractor, to increase capacity and accelerate delivery over the next two years.

4.3.7 Expenditure on the **Corporate Services** Capital Programme in 2025 - 2026 included the following key elements:

- a. £3.283 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 £1.115 million less than the £4.398 million budget, with this being carried forward for use into 2026 - 2027.
- b. £2.697 million on a rolling programme of capital maintenance on corporate buildings. This was £1.687 million less than the £4.384 million budget, with the underspend being carried forward into 2026 - 2027. This is due to several larger projects have not progressed as anticipated, in particular the Endeavour House Fire Alarm Upgrade, Beacon House Speed Gates and the Stowmarket Resource Centre roof replacement.

4.3.8 The **Public Health & Communities** Capital Programme in 2025 - 2026 principally consisted of enhancements and extensions at Stowmarket and Bury St Edmunds libraries. Of this, only the Bury St Edmunds scheme made significant progress, with the Stowmarket scheme being delayed due to the need to consider alternative options. This led to the Programme spending £0.322 million of its £1.520 million budget in 2025 - 2026, with the difference carried forward into 2026 - 2027.

4.4 Balance Sheet

4.4.1 **Table 4** summarises the Balance Sheet of the Council as at 31 March 2025 and 31 March 2026. The full Balance Sheet can be found on page 30 together with references to the notes that support each of the figures.

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Table 4: Balance Sheet as at 31 March 2026

31 March 2025 £ million	31 March 2026 £ million	Movement £ million
1,731.777 Non-Current Assets	1,782.273	50.496
186.409 Current Assets	216.378	29.969
-387.932 Current Liabilities	-408.099	-20.167
-870.357 Long Term Liabilities	-953.584	-83.227
659.897 Net Assets	636.968	-22.929
202.178 Usable Reserves	202.568	0.390
457.719 Unusable Reserves	434.400	-23.319
659.897 Total Reserves	636.968	-22.929

- 4.4.2 The net increase of £50.496 million in non-current assets is principally due to a £40.755 million increase in Property, Plant and Equipment (PPE) and a £10.179 million increase in Long-Term Debtors. It should be noted that "long-term" in this context means anything over one-year in duration. The increase in PPE (net after disposals, depreciation and other adjustments) during 2025 - 2026 is a result of the addition of new and enhancement of non-current assets, with the majority of the expenditure relating to infrastructure assets and education properties, either completed or under construction. The increase in Long-Term Debtors is largely due to a rise in debts payable for the receipt of social care, in particular those covered by a deferred payment arrangement.
- 4.4.3 Current Assets have increased by £29.969 million during 2025 - 2026. This rise is principally due to a £12.815 million increase in short-term investments and a £15.761 million increase in amounts owed by short-term debtors. The rise in short-term investments relates to an increase in the amounts held in money market funds as at 31 March 2026. The Council uses money market funds to manage its cashflow and frequently has daily cash inflows and outflows exceeding £10 million, sometimes exceeding £20 million. In this context, a difference of £12.815 million is consistent with the ordinary expected fluctuations in the Council's cashflow. The amounts owed by short-term debtors relate to services provided to them by the Council. The Council expects these debts to be settled in line with the agreements in place.
- 4.4.4 Current Liabilities have increased by £20.167 million during 2025 - 2026. This is largely due to a £18.371 million increase in short-term borrowing. The rise in short-term borrowing is linked to the increase in the short-term investments held for the purposes of cash management as described in 4.4.3. As such, it is in line with the Council's Treasury Management Strategy, with the total short-term borrowing net of short-term investments being below the £150 million threshold set within that Strategy.
- 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 £83.227 million increase in Long-Term Liabilities is mainly due to a combination of a £72.392 million increase in Long-Term Borrowing as a result of capital investment and the increasing deficit relating to the Dedicated Schools Grant, and a £12.491 million increase in Other Long-Term Liabilities due to developer contributions received in the year.
- 4.4.6 **Usable reserves** are reserves that can be used to fund the activities of the Council. Whereas the increase over 2025 - 2026 has been just £0.390 million, representing 0.2% of the balance of £202.178 million held on 31 March 2025, there are some larger changes to the individual components of the reserves, which are outlined below.

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Table 5: Usable Reserves

31 March 2025	31 March 2026	Increase / Decrease (-)
£ million	£ million	£ million
62.055 General Reserves (unallocated)	47.448	-14.607
118.706 Earmarked Reserves (allocated)	127.823	9.116
180.761 Total Revenue reserves	175.271	-5.490
21.417 Capital Reserves	27.297	5.880
202.178 Total Usable Reserves	202.568	0.390

- 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 £14.607 million reduction during 2025 - 2026 is principally a result of the £14.957 million overspend on the 2025 - 2026 Revenue Budget. The size of the overspend resourced by Unallocated Reserves means that the balance at 31 March 2026 is below the value of the quantified risks identified when the 2025 - 2026 Budget was set. This underscores the need for these reserves to be replenished for the Council to remain financially resilient. However, the balance of £47.448 million on Unallocated Reserves is higher than 5% of Net Expenditure Budget figure of £40.254 million, a key threshold used by the Chief Financial Officer for assessing the Council’s financial resilience.
- 4.4.8 **Earmarked Reserves** are revenue reserves identified to support the delivery of Council’s duties and objectives in 2025 - 2026 and beyond. These reserves 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, which supports the revenue costs of financing the Council’s Capital Programme. The £9.116 million increase in Earmarked Reserves during 2025 - 2026 is mainly as a result of £21.153 million secured from Sizewell C Limited to support future maintenance on assets that Suffolk County will adopt, with this offset by various smaller applications to support the delivery of various Council priorities.
- 4.4.9 **Capital Reserves** comprise capital receipts, grants and contributions that can only be applied to finance capital expenditure. During 2025 - 2026, these reserves increased by £5.880 million. This increase was due to more capital receipts being generated from disposals than were applied to finance capital expenditure.
- 4.4.10 **Unusable Reserves** are those which exist to comply with accounting practice and statute. These reserves fell from £457.719 million to £434.400 million during 2025 – 2026, a reduction of 5.1%. The principle reasons for this were a £66.202 million reduction due to an increase in the Dedicated Schools Grant (DSG) deficit, partially offset by a £17.613 million increase in the Revaluation Reserve, and a £31.227 million increase in the Capital Adjustment Account.
- 4.4.11 It should be noted that the usable reserves in **Table 5** above do not include the 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 £163.840 million as at 31 March 2026.

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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 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 2026 was £194.400 million (£194.100 million as at 31 March 2025), whilst the net unfunded liability arising from defined benefit obligation on the Local Government Pension Scheme as at 31 March 2026 was £7.435 million (£7.888 million as at 31 March 2025).
- 4.5.3 The Suffolk Pension Fund is revalued every three years with the last full valuation date being 31 March 2025. As at 31 March 2026, the Suffolk Pension Fund valuation was 130%.

5.0 Treasury Management & Cashflow

5.1 Cash and Short-Term Investments

- 5.1.1 The Council held £61.638 million of short-term investments as at 31 March 2026. Of this, £61.440 million relates to the fair value of principal held, and £0.198 million relates to accrued interest and other minor adjustments. These investments consisted of £5.371 million in the Council's Lloyds' deposit account, £51.669 million in its money market funds, £4.401 million in its Churches, Charities and Local Authorities (CCLA) Property Fund.

Table 6: Cash and Short-Term Investments

2024 - 2025 £ million		2025 - 2026 £ million
6.340	Cash and Cash Equivalents	5.321
43.502	Short Term Investments	56.317
49.842		61.638

- 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 can always be met, with its short-term investments readily convertible into cash when required.

5.2 Debt and Borrowing

- 5.2.1 The limit to which the Council can borrow to fund capital expenditure is governed by the **Prudential Code** (the professional framework guiding UK local authorities to ensure their capital investment plans are affordable, prudent, and sustainable). There are two key thresholds against which a Council needs to limit its debt:
- The **Capital Financing Requirement**: This is the sum of all capital expenditure incurred by the Council historically that was not funded by grants, contributions or capital receipts, less the mandatory minimum amounts aside to repay debt principal (known as the **Minimum Revenue Provision**). The Council is required to ensure its gross external borrowing is within this figure unless there is a temporary requirement to do this to meet cashflow need.

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- b. The **Authorised Limit**: This is the maximum gross debt that the Council is permitted to hold, and is approved as part of the annual budget. This can be higher than the CFR to recognise any potential need to borrow in excess of the CFR for temporary cashflow purposes. The Council also has an Operational Limit for debt, which is set below the Authorised Limit, and is the limit to which the Council works when managing debt, to provide headroom that support the avoidance of any breaches of the Authorised Limit.

5.2.3 The debt figure used in reference to the two limits above is the total of:

- a. Debts relating to Private Finance Initiative (PFIs);
- b. Debts relating to leases;
- c. Gross external borrowing;

5.2.4 **Table 7a** overleaf shows the change to the Council's CFR and net external borrowing during 2025 - 2026.

Table 7a - Capital Financing Requirement and Net External Borrowing

	31 March 2025 (£million)	31 March 2026 (£million)	Difference (£million)
Capital Financing Requirement (Total)	876.170	874.874	-1.296
Private Finance Initiative Debt	-35.146	-33.247	1.899
Lease Liability Debt	-4.795	-4.548	0.247
Capital Financing Requirement (Borrowing)	836.229	837.079	0.850
Useable Reserves	-202.178	-202.568	-0.390
Dedicated Schools Grant Reserve *	97.638	163.840	66.202
Working Capital	-124.887	-114.186	10.701
Net External Borrowing Requirement	606.802	684.165	77.363
Net External Borrowing Composition			
Borrowing (due in over one year)	491.001	577.605	86.604
Borrowing (due in one year or less)	164.996	168.000	3.004
Gross External Borrowing	655.997	745.605	89.608
Short-Term Investments / Cash	-49.195	-61.440	-12.245
Net External Borrowing Actual	606.802	684.165	77.363

* Figures are positive as represent the required addition to Net External Borrowing Requirement as reserve is negative

5.2.5 The key points from the Figures in **Table 7** are as follows:

- a. CFR relating to borrowing has increased by £0.850 million over the year. This is due to a broad equivalence between the £11.713 million of capital investment made during 2025 - 2026 for which borrowing was required (i.e. there is no other funding source such as grants or capital receipts) and the offsetting £10.863 million of Minimum Revenue Provision which relates to the amount set aside from the 2025 - 2026 Revenue Budget to repay debt principal.
- b. The Net External Borrowing Requirement has increased by £77.363 million during 2025 - 2026. The most significant component of this rise is the £66.202 million increase in the negative Dedicated Schools Grant (DSG) Reserve balance caused by the in-year deficit on services funded from DSG caused by the costs of SEND provision. The Government recognise the issues with SEND and are expected to provide a High Need Stability Grant to address cumulative deficits

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generated to 31 March 2026. Other factors causing the change in the Net External Borrowing Requirement include:

- i. a £10.179 million increase in long-term debt, with this largely being to an increase in care debt accruals;
 - ii. a £15.762 million increase in trade debtors; with i. and ii. partially offset by:
 - iii. a £12.491 million net increase in other long-term liabilities with this being largely due to developer contributions received during 2025 - 2026.
- c. The split between borrowing and investments is in accordance with the Council's Treasury Management Strategy, and is within the thresholds outlined with the Council's Prudential Indicators.

5.2.6 **Table 7b** compares the Council's Gross Debt against both its Capital Financing Requirement and Authorised Limit as at 31 March 2025 and 31 March 2026, along with headroom against these figures. Moreover, the Council did not breach its Authorised Limit at any time during 2025 - 2026. This demonstrates that the Council has abided by the key requirement of the Prudential Code not to borrow for the purposes of financing revenue expenditure.

Table 7b - Capital Financing Requirement and Authorised Limit Versus Gross Debt

	31 March 2025 (£million)	31 March 2026 (£million)	Difference (£million)
Capital Financing Requirement (CFR) (A)	876.170	874.874	-1.296
Authorised Limit (B)	860.000	870.000	10.000
PFI Debt	35.146	33.247	-1.899
Lease Liability Debt	4.795	4.548	-0.247
Gross External Borrowing	655.997	745.605	89.608
Gross Debt (C)	695.938	783.400	87.462
Headroom - CFR (A - C)	180.232	91.474	-88.758
Headroom - Authorised Limit (B - C)	164.062	86.600	-77.462

5.2.7 **Table 7c** details how the Council's borrowing has changed during 2025 - 2026, providing the types of loans held.

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Table 7c - Changes in Net External Borrowing during 2025 - 2026

	Loan Type	Balance at 31/03/25 (£million)	Balance at 31/03/26 (£million)	Movement in 2025-26 (£million)
Long-Term Borrowing (i.e. greater than one year)	Public Works Loan Board (PWLB) Loans	319.545	422.015	102.470
	Lender's Option Borrower's Option (LOBO) Loan	90.000	90.000	0.000
	Fixed-Rate Bank Loans	45.000	45.000	0.000
	Loans from Other Local Authorities	32.500	17.500	-15.000
	Salix Loans *	3.952	2.090	-1.862
	Community Municipal Bonds **	0.000	1.000	1.000
	Total	490.997	577.605	86.608
Short-Term Borrowing (i.e. one year or less)	Loans from Other Local Authorities	165.000	153.000	-12.000
	Public Works Loan Board (PWLB) Loans	0.000	15.000	15.000
	Total	165.000	168.000	3.000
Gross External Borrowing		655.997	745.605	89.608
Short-Term Investments / Cash		-49.202	-61.440	-12.238
Net External Borrowing		606.795	684.165	77.370

* Salix Finance Ltd is a non-departmental public body, wholly owned by the UK government, providing finance to support sustainability projects.

** £1 million of Community Municipal Bonds were raised in 2025 – 2026 from private investors to support the delivery of projects to support energy efficiency.

5.2.8 The average rate of interest on the Council's external borrowing at 31 March 2026 was 4.04% (4.03% 31 March 2025). The rate is largely unchanged as the market had been seeing increased stability from previous years with lowering inflation and a largely stable Bank of England Base Rate that had been reducing over the period with expectations of a further reduction in the near term. These conditions are however now seeing significant volatility following the commencement of military action in Iran affecting the global economy and supply chains.

6.0 Financial Challenges in 2026 - 2027 and Medium-Term Outlook

6.1 Budget Strategy

6.1.1 The Council approved its 2026 - 2027 Budget on 12 February 2026. 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 2026 - 2027, 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 The way council services are delivered is set to be completely overhauled with the process of local government reorganisation. This ultimately means the abolition of Suffolk's county council, along with its district and borough councils, in 2028, and their replacement with a new unitary council, or councils, delivering all local government services. Plus, Suffolk is part of a devolution deal, which will create a mayor and combined county authority across Suffolk and Norfolk. Despite these significant strategic change programmes, the Council's important daily work and delivery of key services must continue.

6.1.3 The four core objectives of the Council's Corporate Strategy for 2022 - 2026 continue to provide the strategic foundation for budget and service planning for the 2026 - 2027 Budget and the 2026 - 2030 Medium Term Financial Plan (MTFP). These are:

- a) Promoting and supporting the health and wellbeing of all people in Suffolk;

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- b) Strengthening Suffolk's economy;
 - c) Protecting and enhancing Suffolk's environment;
 - d) Providing value for money for the Suffolk taxpayer.
- 6.1.4 The Corporate Strategy will be reviewed in 2026 - 2027 following the local elections held on 7 May 2026 led to a new administration led by Reform UK.
- 6.1.5 To ensure the Council lives within available resources, it produces a Medium-Term Financial Plan (MTFP). The MTFP estimates the resources available to the Council over a four-year period covering the period 2026 - 2030 and compares these with the expenditure estimated to be needed to meet its legal duties and policy requirements over this period. The estimate will include 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.
- 6.1.6 A further key element of the Budget Strategy is having 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 is facing. 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 when used. Although the budget position requires that the Council uses its unallocated reserves to balance its 2026 - 2027 Revenue Budget, this has been done with this principle in mind.
- 6.1.7 On 9 February 2026, three days before the Council met on 12 February to agree the 2026 - 2027 Budget, Government published the 2026 - 2027 Final Local Government Finance Settlement. In addition to updating the Council's funding allocation for 2026 - 2027 and providing over £5 million of additional core grant funding, it contained a significant announcement on the Dedicated Schools Grant (DSG). In its announcement, Government committed to resolve 90% of local authorities' DSG High Needs deficits accrued to the end of 2025 - 2026, projected to be worth over £5bn. All local authorities with a SEND deficit will be eligible to receive grant funding subject to submitting and securing the Department for Education's approval of a Local SEND Reform Plan. The remaining 10% deficit left will remain the responsibility of the Council. For deficits that arise in 2026 - 2027 and 2027 - 2028, Government has stated that local authorities can expect that it will continue to take an appropriate and proportionate approach, but that support will not be unlimited. Government will provide this funding through a new High Needs Stability Grant to be provided to local authorities in autumn of 2026. Based on the DSG deficit of £163.840 million held at 31 March 2026, the High Needs Stability Grant would be £147.456 million. The Council submitted its Local SEND Reform Plan on 19 June 2026 and anticipates receiving this grant during the autumn of 2026 - 2027.

6.2 2026 - 2027 Budget and 2026 - 2030 Medium Term Financial Plan

- 6.2.1 The tables overleaf summarise the 2026 - 2027 Budget and associated Medium Term Financial Plan to 2029 - 2030 approved by Council on 12 February 2026, and updated for the additional core grant funding announced as part of the 2026 - 2027 Final Local Government Finance Settlement. These provide details of the forecast budget gap for future years.

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Table 8a - 2026 - 2027 to 2029 - 2030 Net Expenditure Budget

	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million	2029- 2030 £ million
Budget brought forward	805.074	849.984	897.705	930.346
Reversal of prior year one-off items		10.002		
Grant Changes	5.652			
Base Budget	810.726	859.986	897.705	930.346
Cost Pressures				
Inflation	28.570	26.793	26.652	27.065
Demand Pressures	32.504	23.638	22.082	22.038
Corporate Pressures	6.742	8.088	2.150	0.650
Other Pressures	5.583	0.009	0.135	
Grant Adjustments	7.633	1.071	-0.532	
Saving Delays / Non-Delivery of Savings	4.747			
Savings and Mitigations				
Fit for the Future / Transformation Savings	-25.836	-21.880	-17.847	-16.788
Other Savings and Mitigations	-20.685			
Net Expenditure Budget	849.984	897.705	930.346	963.311

Table 8b - 2026 - 2027 to 2029 - 2030 Core Funding Budget

	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million	2029- 2030 £ million
Funding brought forward from previous year	805.074	849.984	876.910	905.810
Rolled In Grants				
Revenue Support Grant: Rolled In Grants	2.661			
Revenue Support Grant: Employers National Insurance Grant	0.263			
Children, Families and Youth Grant: Rolled In Grants	2.728			
Base Budget	810.726	849.984	876.910	905.810
Local Taxation				
Business Rates	-10.421	3.197	2.876	
Council Tax (General)	17.514	18.592	19.659	20.781
Council Tax (Social Care Precept)	9.864	10.527	11.221	11.957
Collection Fund Surplus / Deficit	-0.442	-0.142		
Government Grants				
Better Care Fund		-35.786		
Revenue Support Grant	14.063	30.301	-4.367	
Children, Families and Youth Grant	3.872	0.000	-1.283	
Public Health Grant	3.897	1.071	0.751	
Domestic Abuse Safe Accommodation Grant	0.033	0.044	0.043	
Reserves				
Transfer from Capital Financing Reserve	3.519	-3.519		
Transfer from Risk Reserve	-2.640	2.640		
Core Funding Budget	849.984	876.910	905.810	938.548

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Table 8c - 2026 - 2027 to 2029 - 2030 Budget Gap

	2026- 2027 £ million	2027- 2028 £ million	2028- 2029 £ million	2029- 2030 £ million
Net Expenditure Budget	849.984	897.705	930.346	963.311
Core Funding Budget	849.984	876.910	905.810	938.548
Budget Gap	0.000	20.796	24.535	24.763

- 6.2.2 Whereas a balanced 2026 - 2027 Budget is proposed, this is only possible as a result of a £0.879 million transfer from corporate reserves. This is despite £46.521 million of savings and mitigations being identified. This reflects a combination of the Final Local Government Finance Settlement published on 9 February 2026 following the Government's Fair Funding Review, and continuing increases in costs arising from inflation and service demand.
- 6.2.3 The use of corporate reserves to balance the 2026 - 2027 Budget was possible due to the reserves balances held by the Council. However, on the basis that the level of Unallocated Reserves is close to 5% of the Net Expenditure Budget - the minimum level assessed by the Chief Financial Officer to be acceptable - there is little, if any, scope for further drawdowns from reserves in future years to cover any budget gaps. As a result, the £20.798 million budget gap forecast for 2027 - 2028 will need to be met from savings and mitigations. This will be challenging given the prospect of Local Government Reorganisation.
- 6.2.4 Work to prepare for Local Government Reorganisation (LGR) is planned to continue in 2026 - 2027, with transitional costs needing to be incurred. The transitional costs of LGR will need to be met by the County Council and Suffolk's five District and Borough Councils. Whereas, the County Council can expect to shoulder a fair proportion of these costs, it does not have capacity within its 2026 - 2027 Budget or its Usable Reserves to do so. As a result, it is looking to apply the Flexible Use of Capital Receipts Direction and use available and uncommitted capital receipts to support the transitional costs of LGR on the basis that these are invest-to-save costs to facilitate the local management of budget pressures, a key objective of LGR.

6.3 2026 - 2029 Capital Programme

- 6.3.1 The Council's 2026 - 2029 Capital Programme is a key part of its financial plans, with £298.166 million approved to be spent over the period by Council on 11 February 2026 as illustrated below in **Table 9**, with £131.902 million set to be spent in 2026 - 2027.
- 6.3.2 The most significant element of the 2026 - 2029 Capital Programme is Growth, Highways & Infrastructure Directorate (GHI) Programme. Highways schemes represent the largest component of the GHI Programme at £155.146 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 Children & Young People Directorate (CYP) Programme also forms a substantial component of the 2026 - 2029 Capital Programme with significant investment planned to increase school capacity to meet the need to housing development within the county, and to develop facilities to support the delivery of Special Education Needs and Disabilities provision.

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Table 9 - 2026 - 2030 Capital Programme

	2026 - 2027 Budget (£million)	2027 - 2028 Budget (£million)	2028 -2029 Budget (£million)	Total Budget 2026 - 2029 (£million)
Adult Social Care	10.305	10.305	0.000	20.610
Children & Young People	44.929	31.949	21.185	98.063
Fire & Public Safety	0.569	5.061	0.000	5.630
Growth, Highways & Infrastructure	66.752	88.394	0.000	155.146
Corporate Services	9.348	9.370	0.000	18.717
Total	131.902	145.079	21.185	298.166

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 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 the Council as at 31 March 2026 include:

- a. that significant amount of change and uncertainty resulting from Local Government Reorganisation;
- b. that funding will not be sufficient to address the challenges facing Local Government, and the demand on its services;
- c. that the Council will be subject to a major cyber security incident resulting in financial loss, significant disruption to services, and reputational damage;
- d. continuing demand for SEND provision and the cost impact of this, and the challenges of delivering the proposed SEND reforms as outlined in the 2026 SEND White Paper;
- e. that the Council does not adequately respond to a major incident, and that essential public services are not effectively delivered as a result;

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 focussed and innovative approach to IT development.

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

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control and risk management systems, and reports on any significant governance issues during the year.

- 8.2 The 2025 - 2026 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 meeting held on 17 June 2026.

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 as at 31 March 2026. 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 2025 - 2026, 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 2026 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. Usable 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'.

9.1.5 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.

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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 Council 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 , New Anglia Capital Ltd, Sensing Change Ltd, Leading Lives IPS Ltd, and Realise Futures CIC in the Group accounts as they are not material either qualitatively or quantitatively.

9.2.5 Pension Fund Accounts

9.2.5.1 The objective of the Suffolk Pension Fund's financial statements, from page 117, 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 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

2024 – 2025				2025 - 2026			
Gross Expenditure	Gross Income	Net Expenditure		Notes	Gross Expenditure	Gross Income	Net Expenditure
£ million	£ million	£ million			£ million	£ million	£ million
502.570	-209.413	293.157	Adult Social Care		527.640	-217.877	309.763
607.245	-379.273	227.972	Children & Young People		680.803	-412.905	267.898
78.765	-63.980	14.785	Public Health & Communities		70.958	-62.059	8.899
31.508	-4.515	26.993	Fire & Public Safety		29.674	-4.774	24.900
133.394	-74.154	59.240	Growth, Highways & Infrastructure		152.661	-94.784	57.877
62.464	-13.876	48.588	Corporate Services		63.194	-14.208	48.986
7.238	-0.165	7.073	Central Resources & Capital Financing		7.001	-0.169	6.832
-1.396	0.000	-1.396	Pension Costs IAS 19 *		-1.792	0.000	-1.792
1,421.788	-745.376	676.412	Net cost of services		1,530.139	-806.776	723.363
20.025	0.000	20.025	Other operating expenditure	9	32.686	-0.176	32.510
38.863	-3.494	35.369	Financing and investment income and expenditure	10	43.302	-4.401	38.901
0.000	-701.238	-701.238	Taxation and non-specific grant income	11	0.000	-752.062	-752.062
1,480.676	-1,450.108	30.568	Deficit / Surplus (-) on Provision of Services		1,606.127	-1,563.415	42.712
		-23.930	Surplus (-) / deficit on revaluation and restatement of non-current assets	19			-34.577
		-3.756	Remeasurements of the net defined benefit liability**	33			14.794
		-27.686	Other Comprehensive Income and Expenditure				-19.783
		2.882	Total Comprehensive Income (-) and Expenditure (+)				22.929

* The Pension Costs are in relation to accounting for Employee Benefits (IAS19) which are not allocated to service areas. In 2024 – 2025 and 2025– 2026 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.

Movement in Reserves Statement

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
Balance at 31 March 2024 carried forward	66.443	101.685	8.668	0.116	3.155	180.067	477.028	657.095
Adjustment of opening balances on transition to IFRS 16 Leases								
Recognition of donated right of use assets							5.684	5.684
Adjusted Balance at 1 April 2024	66.443	101.685	8.668	0.116	3.155	180.067	482.712	662.779
<u>Movement in reserves during 2024 - 2025</u>								
Surplus or deficit (-) on provision of services	-30.568	0.000	0.000	0.000	0.000	-30.568		-30.568
Other Comprehensive Expenditure and Income							27.686	27.686
Total Comprehensive Expenditure and Income	-30.568	0.000	0.000	0.000	0.000	-30.568	27.686	-2.882
Adjustments between accounting basis and funding basis under regulations (note 7)	43.201	0.000	3.700	0.000	5.778	52.679	-52.679	0.000
Net Increase/Decrease (-) before Transfers to Earmarked Reserves	12.633	0.000	3.700	0.000	5.778	22.111	-24.993	-2.882
Transfer to (-)/from Earmarked Reserves (note 8)	-17.021	17.021	0.000	0.000	0.000	0.000		0.000
Increase/Decrease (-) in Year	-4.388	17.021	3.700	0.000	5.778	22.111	-24.993	-2.882
Balance at 31 March 2025 carried forward	62.055	118.706	12.368	0.116	8.933	202.178	457.719	659.897
<u>Movement in reserves during 2025 - 2026</u>								
Surplus or deficit (-) on provision of services	-42.712	0.000	0.000	0.000	0.000	-42.712		-42.712
Other Comprehensive Expenditure and Income							19.783	19.783
Total Comprehensive Expenditure and Income	-42.712	0.000	0.000	0.000	0.000	-42.712	19.783	-22.928
Adjustments between accounting basis and funding basis under regulations (note 7)	37.222		5.257	-0.116	0.740	43.102	-43.102	0.000
Net Increase/Decrease (-) before Transfers to Earmarked Reserves	-5.490	0.000	5.257	-0.116	0.740	0.390	-23.319	-22.928
Transfer to (-)/from Earmarked Reserves (note 8)	-9.116	9.116	0.000	0.000	0.000	0.000		0.000
Increase/Decrease (-) in Year	-14.606	9.116	5.257	-0.116	0.740	0.390	-23.319	-22.929
Balance at 31 March 2026 carried forward	47.449	127.822	17.625	0.000	9.672	202.568	434.400	636.968

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 (£891.583 million Outturn as reported to Cabinet is the sum of Table 2a, £821.336 million directorate outturn plus Table 2b £70.248 million Dedicated Schools Grant outturn) to the Comprehensive Income and Expenditure Statement. It shows the movement in net expenditure at Outturn (£891.583 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.

2025 - 2026

	Outturn as reported to Cabinet	Adjustments (EFA Note 1)	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting basis			Total Adjustments	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)		
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Adult Social Care	380.487	0.320	380.807	1.944	-2.815	-70.173	-71.044	309.763
Children & Young People	287.859	3.341	291.199	12.213	-6.898	-28.616	-23.301	267.898
Public Health and Communities	44.914	0.436	45.350	0.764	-0.553	-36.661	-36.450	8.899
Fire & Rescue Service and Public Safety	35.058	0.761	35.819	0.097	-11.027	0.010	-10.919	24.900
Growth, Highways and Infrastructure	49.790	-21.957	27.833	31.509	-1.471	0.007	30.045	57.877
Corporate Services	41.840	0.873	42.712	7.609	-1.379	0.044	6.273	48.986
Central Resources and Capital Financing	51.636	-33.941	17.695	-10.863	0.000	0.000	-10.863	6.832
Pension Costs IAS 19	0.000	0.000	0.000		-1.792	0.000	-1.792	-1.792
Net Cost of Services	891.583	-50.168	841.415	43.272	-25.935	-135.389	-118.051	723.363
Other Income and Expenditure (Note 9,10,11)			-835.924	-57.465	10.987	201.751	155.273	-680.651
Surplus (-) or Deficit on provision of services			5.491				37.221	42.712
Opening Revenue Reserve Balance 31 March 2025 (Note 8)			180.761					
Less Surplus/Deficit (-) on Revenue Reserve Balances in Year			-5.491					
Closing Revenue Reserve Balance at 31 March 2026 (Note 8)			175.270					

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. 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

2024 - 2025	2025 - 2026
£ million	£ million
Expenditure	
396.945 Employee Expenses	420.146
934.084 Other Service Expenses	1,029.233
68.172 Depreciation, Amortisation, Impairments & Restatements (note 7)	56.602
28.692 Interest Payments & Impairment Losses (note 10)	32.315
1.349 Levies (note 9)	1.405
18.662 Loss on the Disposal of Assets (note 9)	31.281
22.503 Revenue Expenditure Funded from Capital (note 27)	24.159
10.255 Net interest on the net defined benefit liability (note 10)	10.987
0.014 Gain (-) / Loss on Traded Services (note 9)	0.000
1,480.676 Total Expenditure	1,606.127
Income	
0.000 Gain (-) / Loss on Traded Services (note 9)	-0.176
-745.375 Fees, Charges & Others Service Income	-806.776
-2.845 Interest and Investment Income (note 10)	-3.151
-0.650 Dividend Income (note 10)	-1.250
-420.935 Income from Council Tax (note 11)	-453.507
-146.986 Income from Non-Domestic Rates (note 11)	-151.930
-133.318 Government Grants, Contributions & Donated Assets (note 11)	-146.625
-1,450.108 Total Income	-1,563.415
30.568 Surplus (-) / Deficit on Provision of Services	42.712

Expenditure and Funding Analysis

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			Total Adjustments	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)		
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Adult Social Care	353.678	-0.660	353.018	2.685	-0.573	-61.972	-59.860	293.157
Children & Young People	236.186	1.672	237.858	11.949	-1.503	-20.332	-9.886	227.972
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	-115.528	-72.935	676.412
Other Income and Expenditure (Note 9,10,11)			-761.982	-54.600	10.255	160.482	116.137	-645.845
Surplus (-) or Deficit on provision of services			-12.633				43.201	30.568
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					

Balance Sheet

Balance Sheet

31 March 2025 £ million		Notes	31 March 2026 £ million
1,712.224	Property, Plant and Equipment	12	1,752.980
2.647	Intangible Assets	13	2.059
0.895	Heritage Assets		1.043
16.011	Long-Term Debtors	36	26.190
1,731.777	Total Non-Current Assets		1,782.273
43.502	Short-Term Investments	36	56.317
3.960	Assets Held for Sale	14	6.432
0.438	Inventories		0.377
132.170	Short-Term Debtors	15	147.931
6.340	Cash and Cash Equivalents	16	5.321
186.410	Current Assets		216.378
-215.600	Short-Term Borrowing	36	-233.971
-140.262	Short-Term Creditors	17	-142.964
-16.948	Short-Term Grants Receipts in Advance	25	-16.794
-0.904	Short-Term Lease Liability	28	-1.093
-2.013	PFI Liability	29	-2.167
-4.755	Donated Asset Account	29	-4.755
-7.450	Provisions	18	-6.355
-387.932	Current Liabilities		-408.099
-4.165	Provisions	18	-4.311
-449.501	Long-Term Borrowing	36	-521.893
-65.705	Other Long-Term Liabilities	36	-78.196
-3.891	Long-Term Lease Liability	28	-3.455
-33.134	PFI Liability	29	-31.081
-66.574	Donated Asset Account	29	-61.819
-201.988	Liability related to Defined Benefit Pension Scheme	33	-201.835
-45.399	Capital Grants Receipts in Advance	25	-50.994
-870.358	Long-Term Liabilities		-953.584
659.897	Net Assets / Liabilities (-)		636.968
202.178	Usable Reserves	8	202.568
457.719	Unusable Reserves	19	434.400
659.897	Total Reserves		636.968

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.

2024 - 2025 £ million			2025 - 2026 £ million
30.568	Net deficit / surplus (-) on the provision of services		42.712
-19.399	Adjust net surplus (-) / deficit on the provision of services for non cash movements	CF1	-17.578
62.962	Adjust for items included in the net surplus (-) / deficit on the provision of services that are investing and financing activities	CF1	77.400
<u>74.130</u>	Net cash flows from Operating Activities		<u>102.534</u>
-11.892	Investing Activities	CF2	-16.227
-58.664	Financing Activities	CF3	-85.288
<u>3.575</u>	Net increase (-) or decrease in cash and cash equivalents		<u>1.019</u>
2.415	Cash and cash equivalents at the beginning of the reporting period		6.340
7.500	Adjustment to cash and cash equivalents at the beginning of the reporting period		0.000
<u>6.340</u>	Cash and cash equivalents at the end of the reporting period		<u>5.321</u>

Notes to the Cash Flow Statement

CF1. Operating Activities

The cashflows for operating activities include the following items:			
2024 - 2025 £ million			2025 - 2026 £ million
-2.870	Interest received		-3.126
26.993	Interest paid		31.171
-57.743	Depreciation and impairment		-59.369
-10.512	Downward (-) / Upward revaluations		2.767
-1.676	Increase/decrease (-) in impairment for bad debts		-0.350
63.741	Increase (-)/decrease in creditors		28.193
0.442	Increase/decrease (-) in debtors		23.581
0.102	Increase/decrease(-) in inventories		-0.061
1.756	Movement in pension liabilities		14.947
-22.809	Carrying amount of non current assets and non current assets held for sale, sold or de-recognised		-32.284
7.301	Other non cash items charged to the net deficit on the provision of services		4.998
<u>-19.399</u>	Total		<u>-17.578</u>
1.707	Proceeds from the sale of property, plant and equipment and intangible assets		1.024
61.254	Any other items for which the cash effects are investing or financing cashflows		76.376
<u>62.962</u>	Total		<u>77.400</u>

Cash Flow Statement

CF2. Investing Activities

2024 - 2025		2025 - 2026	
£ million		£ million	
84.661	Purchase of property, plant and equipment	90.798	
963.257	Purchase of short-term investments	991.251	
-1.707	Proceeds from the sale of property, plant and equipment	-1.024	
-962.010	Proceeds from short-term activities	-978.471	
-96.093	Other receipts from investing activities	-118.781	
-11.892	Net cash flows from investing activities	-16.227	

CF3. Financing Activities

2024 - 2025		2025 - 2026	
£ million		£ million	
-272.500	Cash receipts of short and long term borrowings	-306.000	
5.624	Cash payments for the reduction of the outstanding liabilities relating to PFI contracts	5.996	
209.458	Repayments of short term and long term borrowing	216.392	
-1.246	Other payments for financing activities	-1.676	
-58.664	Net cash flows from financing activities	-85.288	

The total of Cash receipts of short and long-term borrowings (-£306.000 million), cash payments from PFI (£5.996 million) and repayments of short and long-term borrowing (£216.392 million) total -£83.612 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 2025		Financing Cash Flows	Non Cash Financing Activities	Other Changes	31 March 2026
£ million		£ million	£ million	£ million	£ million
-449.501	Long Term Borrowing	-86.608		14.215	-521.893
-215.600	Short Term Borrowing	-3.000	-0.011	-15.360	-233.971
-39.941	Long and Short Term PFI Liability	5.996		-3.852	-37.797
2.133	Short Term Debtors/Creditors*		-1.666		0.467
-702.909		-83.612	-1.677	-4.997	-793.194

* 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 £1.666 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 2026 balance to reconcile to the Balance Sheet.

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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.

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025 - 2026 (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.

Notes to the Core Statements

1. Accounting Policies

i General principles

The Statement of Accounts summarises the Council's transactions for the 2025 - 2026 financial year and its position at the year end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025 – 2026 (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.

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.

Notes to the Core Statements

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

Notes to the Core Statements

- 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.

Notes to the Core Statements

Assets and liabilities are discounted to their value at current prices. The discount rate employed for the 2025 – 2026 accounts is 6.2%. 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 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.

Notes to the Core Statements

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:

	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.

Notes to the Core Statements

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 are valued on a five-year rolling program, with annual indexation applied during the intervening four years. Where appropriate indices cannot be obtained without undue cost or effort, assets will be revalued on a quinquennial basis, with a desktop valuation in year three. 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.

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

Notes to the Core Statements

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 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

Notes to the Core Statements

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 (REFCUS) 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). Under IFRS 16, all leases have a right-of-use asset and a corresponding lease liability included on the balance sheet.

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 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.

Notes to the Core Statements

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 2026). 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.

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.

Notes to the Core Statements

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.
- **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 2025 – 2026 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.

Notes to the Core Statements

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, instantly accessible deposits and cash held by the Council at the 31 March are therefore 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 invests in Money Market Funds for the purposes of obtaining a gain or return, and to increase the security of these assets. The Council's policy is that deposits in these instruments should be classed as an investment, and not as 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

Notes to the Core Statements

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 2025 - 2026 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:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024 which aims to provide clarifications and improvements rather than a change to recognition and measurement requirements.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024. As above, these are improvements rather than significant changes and focuses on improving the standard to better handle modern financial instruments.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024. This is the annual process to remove inconsistencies and clarify wording in the standards, rather than any changes to underlying accounting models.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024. This adds adaptations to IFRS 9 to properly accommodate renewable energy electricity contracts and adds disclosures under IFRS 7.

All of the above are changes that will not have a material impact on the amounts reported in the financial statements or are not relevant to the Council.

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 an overspend of £14.957 million against its 2025 – 2026 Net Expenditure Budget, the Council's Usable Reserves remain almost unchanged at £202.568 million, of which its Unallocated Reserves total £47.448 million. This, combined with the announcement by Government that it plans to pay 90% of Dedicated Schools Grant deficits accumulated to 31 March 2026, means that the Council remains a going concern and has a reasonable level of financial resilience over the short- to medium-term despite continuing cost pressures. As a result, there is no strong case for impairing the Council's assets or making other accounting adjustments due to its financial position.
- 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. This will remain the case as long as the Free School Presumption advice document (February 2016) is in force and will be reviewed at the point this is replaced.

- 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 revalued every 5 years on a rolling programme basis, with indexation adjustments applied in the intervening 4 years. This means approximately 20% of assets were valued as at 31 March 2026, with the remaining assets having indexation adjustments applied to them to ensure they reflect the market-based movements in the intervening periods. The indices used for these adjustments are the most suitable available for each property type and were selected following professional advice from the Councils valuers, Lambert Smith Hampton.</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 £6.564 million for every year that useful lives had to be reduced.</p> <p>Valuation: A reduction in estimated valuations or indices used 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 £19.506 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 £811.996 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 2025 - 2026 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 2025 - 2026, the Council's actuary advised that the net pensions liability had decreased by £0.153 million. Further sensitivity analysis on pension liabilities are in Note 33.</p>

Notes to the Core Statements

5. Material Items of Income and Expenditure

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

In 2025 - 2026, £28.158 million of non-current assets have been transferred to 14 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 29 June 2029. 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 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. For 2025 - 2026 there has been no notable events take place after the 31 March 2026.

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.

2025 - 2026	Usable Reserves			Movement in Unusable Reserves £ million
	General Fund Balance £ million	Capital Receipts Reserve £ million	Capital Grant/Contributions Unapplied Account £ 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)	14.947			-14.947
Council Tax and Non Domestic Rates (transfers to Collection Fund Adjustment Account)	-1.666			1.666
Holiday Pay (transferred from the Accumulated Absences Reserve)	1.060			-1.060
Impairment Gain (+) / Loss on the Pooled Investment Fund	0.000			0.000
Dedicated School Grant (transferred to the Dedicated School Grant Adjustment Account)	-66.202			66.202
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	-59.369			59.369
Revaluation loss on Property, Plant and Equipment	2.767			-2.767
Restatement of non current assets				0.000
Capital grants and contributions that have been applied to capital financing	92.231			-92.231
Income in relation to Donated Assets	5.167			-5.167
Revenue expenditure funded from capital under statute	-24.159			24.159
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	-32.284			32.284
Total Adjustments to Revenue Resources	-67.062	0.000	0.000	67.062
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	6.974	-6.974		0.000
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	14.220			-14.220
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	13.581			-13.581
Total Adjustments between Revenue and Capital Resources	34.775	-6.974	0.000	-27.801
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		1.717		-1.717
<u>Application of capital grants to finance capital expenditure</u>				
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	1.015		-1.015	0.000
Application of grants and contributions to capital financing transferred to the Capital Adjustment Account			0.392	-0.392
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				0.000
Total Adjustments to Capital Resources	-4.935	1.717	-0.623	3.841
Total Adjustments	-37.222	-5.257	-0.623	43.102

Notes to the Core Statements

2024 – 2025 Adjustments between Accounting Basis and Funding Basis under Regulations:

2024 - 2025	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	9.915			-9.915
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	-75.230	0.000	0.000	75.231
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
<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	-43.201	-3.700	-5.777	52.679

Notes to the Core Statements

8. Transfers to/from Earmarked Reserves

	Balance at 1 April 2024 £ million	Transfers between Reserves £ million	Transfers Out 2024 - 2025 £ million	Transfers in 2024 - 2025 £ million	Balance at 31 March 2025 £ million	Transfers between Reserves £ million	Transfers Out 2025 - 2026 £ million	Transfers in 2025 - 2026 £ million	Balance at 31 March 2026 £ million
General Fund	22.344	2.219	0.000	0.000	24.563	3.757	0.000	0.000	28.319
Risk Reserve	44.099	-4.819	-8.644	6.856	37.492	-3.407	-14.956	0.000	19.129
Total General Fund Reserves	66.443	-2.600	-8.644	6.856	62.055	0.350	-14.956	0.000	47.448
Earmarked Reserves									
Capital Financing Reserve	30.267	-6.902	-2.031	3.981	25.315	0.000	-8.192	9.338	26.461
Corporate Priorities Reserve	6.237	1.670	-3.088	0.000	4.819	1.870	-2.680	1.000	5.009
Earmarked Reserves (Capital)	0.000	6.615	-4.851	2.360	4.124	0.444	-10.010	11.984	6.541
Earmarked Reserves (Revenue)	20.826	0.202	-6.411	22.974	37.591	-21.288	-5.585	2.812	13.530
Insurance Reserve	7.500	0.000	-0.014	0.000	7.486	-1.000	0.000	0.176	6.662
Pooled / Partnership Funds	4.985	0.000	-1.077	0.340	4.248	0.000	-0.729	0.016	3.536
Renewals Reserves	0.075	0.175	0.000	0.375	0.625	0.000	0.000	0.125	0.750
Ringfenced Reserves	10.938	0.840	-1.651	2.296	12.423	19.624	-6.164	25.296	51.179
Short Term Grants	3.334	0.000	-3.334	6.977	6.977	0.000	-6.977	2.583	2.583
School Reserves	17.523	0.000	-2.425	0.000	15.098	0.000	-3.527	0.000	11.571
Total Earmarked Reserves	101.686	2.600	-24.882	39.303	118.707	-0.350	-43.864	53.329	127.822
Total Revenue Reserves	168.128	0.000	-33.526	46.159	180.761	0.000	-58.820	53.329	175.270
Capital Reserves									
Capital Grants Unapplied (Reserve)	0.116	0.000	0.000	0.000	0.116	0.000	-0.116	0.000	0.000
Capital Contributions Unapplied (Reserve)	3.155	0.000	-0.539	6.317	8.933	0.000	-4.135	4.874	9.672
Capital Receipts Reserve	8.668	0.000	-3.957	7.657	12.368	0.000	-1.717	6.974	17.625
Total Capital Reserves	11.939	0.000	-4.496	13.974	21.417	0.000	-5.968	11.849	27.297
Total Usable Reserves	180.067	0.000	-38.022	60.133	202.178	0.000	-64.788	65.178	202.568

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, Commuted Sums and Economic Strategy.
- 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

2024 - 2025 £ million		2025 - 2026 £ million
0.850	Payments to the Environment Agency	0.895
0.499	Payments to the Eastern Inshore Fisheries and Conservation Authority	0.510
0.014	Gains(-)/losses on trading operations	-0.176
18.662	Losses on the disposal of non-current assets	31.281
20.025	Total	32.510

10. Financing and Investment Income and Expenditure

2024 - 2025 £ million		2025 - 2026 £ million
28.692	Interest payable and similar charges	32.315
10.255	Net Interest on the net defined benefit liability (note 33)	10.987
-2.845	Interest receivable and similar income	-3.151
-0.650	Other investment income - dividend receivable	-1.250
-0.083	Impairment Gains (-)/ Losses on long & short term investments and long term debtors	0.000
35.369	Total	38.901

11. Taxation and Non-Specific Grant Income

2024 - 2025 £ million		2025 - 2026 £ million
-420.935	Council tax income	-453.507
-146.986	Non domestic rates	-151.930
-62.122	Non-ringfenced government grants (note 25)	-65.061
-9.915	Donated Assets	-5.167
-61.281	Capital grant and contributions (note 25)	-76.397
-701.238	Total	-752.062

Notes to the Core Statements

12. Property, Plant and Equipment

Movements in 2025-26:						
	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 2025	806.222	51.469	25.277	18.286	6.118	907.372
Restatements						0.000
Additions	18.759	5.031	0.286	4.085	8.933	37.094
Donations				0.412		0.412
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-1.104		0.456			-0.648
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	-0.848		0.810	0.495		0.456
Indexation adjustment increases/(decreases) recognised in the Revaluation Reserve	-0.554		-0.311	-0.093		-0.958
Indexation adjustment increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	-4.993		0.014	0.024		-4.955
Impairments recognised in the Revaluation Reserve			-0.287			-0.287
Impairments recognised in the surplus/deficit on the provision of services			-0.107			-0.107
Derecognition - Disposals	-32.551	-3.756	-0.905	-0.398		-37.609
Assets reclassified (to) / from Held for Sale	-2.916		-0.494			-3.410
Other movements in Cost or Valuation	-4.777	0.970	4.827		-0.924	0.096
At 31 March 2026	777.238	53.714	29.565	22.811	14.127	897.456
Accumulated Depreciation and Impairment						
At 1 April 2025	24.420	32.101	0.306	1.595	0.000	58.422
Restatements						0.000
Depreciation charge	21.852	5.000	0.141	1.851		28.845
Depreciation written out to the Revaluation Reserve - Revaluation	-12.844		-0.055			-12.899
Depreciation written out to the Surplus/Deficit on the Provision of Services - Revaluation	-1.014					-1.014
Depreciation written out to the Revaluation Reserve - Indexation	-22.581		-0.348	-0.553		-23.482
Depreciation written out to the Surplus/Deficit on the Provision of Services - Indexation	-6.355			-0.030		-6.385
Impairment losses / (reversals) recognised in the Revaluation Reserve			-0.088			-0.088
Impairment losses / (reversals) recognised in the Surplus/Deficit on the Provision of Services						0.000
Derecognition - Disposals	-2.195	-3.721	0.000	-0.215		-6.131
Derecognition - Other						0.000
Assets reclassified (to)/from Held for Sale						0.000
Other movements in Depreciation and Impairment	-0.248	0.002	0.248			0.002
At 31 March 2026	1.036	33.382	0.204	2.648	0.000	37.269
Net Book Value						
At 31 March 2026	776.202	20.332	29.361	20.163	14.127	860.187
At 31 March 2025	781.802	19.367	24.972	16.692	6.118	848.950

Notes to the Core Statements

Movements in 2024-25:						
	Other Land and Buildings	Vehicles, Plant & Equipment	Surplus Assets	Right-of-Use Assets	Assets Under Construction	Total Other Property, Plant and Equipment
	£ million	£ million	£ million	£ million	£ million	£ 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

Capital Commitments

On 31 March 26, the Council has committed to a programme for the construction or enhancement of Property, Plant and Equipment in 2026 - 2027 and future years, budgeted to cost £249.637 million. Similar commitments at 31 March 2025 were £219.554 million. The commitments with a value greater than £5.000 million are:

Increasing School Capacity	£90.516 million
A12 East of Ipswich Major Road Network (MRN)	£53.159 million
SEND programmes	£17.092 million
Active Travel	£10.896 million
Bus Service Improvement Plan Investment	£7.860 million
Local Electric Vehicle Infrastructure	£6.672 million
Household Waste and Recycling Centres	£6.019 million
Energy Management Fund	£5.920 million
Early Years and Childcare	£5.875 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 for the first time and is then subsequently included in the table for 2025 - 2026. The Code requires IFRS 16 to be applied retrospectively but with the cumulative effect recognised at 1 April 2024.

The Other Property, Plant and Equipment table above for 2024 - 2025 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. From this point of recognising the in-year movements are tracked in the same way as the other asset types in the Property, Plant and Equipment tables above, and forms part of the Property, Plant and Equipment figure in the Balance Sheet.

Valuations

Effective from 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. The change required all assets subject to valuations, and not held at depreciated historical cost, are valued on a five-year rolling programme, with annual indexation applied during the intervening 4 years. Where appropriate indices cannot be obtained without undue cost or effort, assets will be revalued on a quinquennial basis, with a desktop valuation in year three. The Council already carries out a rolling 5-year programme to revalue all Property and Surplus assets on a five-year basis. Therefore, the change to be adopted is the use of indexation in the intervening 4 years.

Valuation rolling programme

Valuations that have taken place as part of the main valuation schedule, properties have been valued as at 31 March 2026. The Council's property consultants, Concertus Design and Property Consultants, appointed Lambert Smith Hampton as the valuers for 2025 - 2026. 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 (RICS).

Notes to the Core Statements

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.
- 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	Plant, Equipment £ million	Surplus Assets £ million	Right of Use £ million	Total £ million
Carried at historical cost	0.000	53.714	0.000	12.627	66.341
Value at fair value in:					
2025-26	68.693	0.000	5.555	0.412	74.660
2024-25	185.686	0.000	7.308	0.752	193.746
2023-24	201.482	0.000	6.127	9.020	216.629
2022-23	249.877	0.000	6.365	0.000	256.241
2021-22	71.501	0.000	4.210	0.000	75.711
Prior to 2022	0.000	0.000	0.000	0.000	0.000
Total Cost or Valuation	777.239	53.714	29.565	22.811	883.329

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

Indexation valuations

From 1 April 2025 the Council will apply indexation adjustments to all assets subject to valuations that have not had a full valuation in the current year. Where appropriate indices cannot be obtained without undue cost or effort, assets will be revalued on a quinquennial basis, with a desktop valuation in year three. The Council worked closely with Lambert Smith Hampton as the appointed property valuers to determine the most suitable indices to use for the various property types held in the portfolio, with consideration given to the advice provided in the CIPFA Bulletin 22 – Indexation Application Guidance. It was concluded that a suitable index was available for all property types with the exception of car parks or assets valued under £100, which going forward will now have quinquennial valuations, with a desktop valuation in year three.

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

The indexation adjustment is applied by multiplying the closing net book value of the asset at 31 March 2026 by the year-on-year change in the relevant index. The table below shows the indices used by the Council, the property types they apply to and the impact on the financial statements.

Notes to the Core Statements

Index	Application	Average change %	Valuation change £ million
RICS BCIS All-in Tender Price Index (TPI)	Specialised operational assets, valued at Depreciated Replacement Cost (DRC) such as schools, fire stations and libraries	-6.46%	2.139
MSCI UK Quarterly Property Industrial Index	Land assets relating to properties valued at DRC where the property is on commercial land, such as highways depots & Industrial non-specialised assets valued by Comparable method, such as Recycling Centres	0.56%	0.122
HM Land Registry UK House Price Index	Residential operational and non-operational assets, valued by the comparable method, such as supported housing	6.00%	29.053
Knight Frank (KF) Residential Development Land Index	Land assets relating to properties valued at DRC where the property is on residential land, such as schools and libraries	1.45%	0.405
MSCI UK Quarterly Property Index	Commercial - offices Non-specialised operational and non-operational assets, valued by the comparable method, such as offices	-0.70%	-0.633
Knight Frank (KF) Farmland Index	Agricultural land such as farmland	-5.00%	-2.856
Total indexation applied in 2025-26			23.953

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	2024-2025 £ million	2025-26 £ million
Net book value (modified historical cost)		
At 1 April	708.185	863.274
Additions	68.099	58.688
Derecognition	-2.299	0.000
Depreciation	-27.102	-29.074
Other movements in cost	116.391	-0.096
Net book value		
At 31 March	863.274	892.793

The £116.391 million 'Other movements in cost' in 2024 – 2025 related 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.

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.

Notes to the Core Statements

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

	31 March 2025 £ million	31 March 2026 £ million
Net book value		
At 31 March		
Other PPE assets	848.950	860.187
Infrastructure assets	863.274	892.793
Total PPE assets	1,712.224	1,752.980

13. Intangible Assets

31 March 2025			31 March 2026	
Intangible Assets £ million			Intangible Assets £ million	
		Balance at start of year: comprising		
12.745		Gross carrying amount	10.866	
-9.359		Accumulated amortisation	-8.220	
3.387		Net carrying amount at start of year	2.646	
0.766		Additions	0.756	
-2.644		Disposals	-0.833	
2.642		Disposal Amortisation	0.833	
-1.503		Amortisation for the period	-1.343	
-0.740		Net movement during the year	-0.587	
		Balance at end of year: comprising		
10.866		Gross carrying amount	11.622	
-8.220		Accumulated amortisation	-9.563	
2.646			2.059	

Notes to the Core Statements

14. Assets Held for Sale

31 March 2025 £ million		31 March 2026 £ million
0.816	Balance at start of year	3.960
	Assets newly classified as held for sale:	
3.234	Property, Plant and Equipment	3.410
0.000	Revaluation increases/decreases (-) recognised in the Surplus/Deficit on the Provision of Services	-0.132
-0.090	Assets sold	-0.806
<u>3.960</u>	Balance at end of year	<u>6.432</u>

15. Short-Term Debtors

31 March 2025 £ million		31 March 2026 £ million
21.886	Central government bodies	23.485
12.215	Other local authorities	17.040
5.942	NHS bodies	6.261
75.740	Other entities and individuals	82.040
13.239	Council Tax receivable from ratepayers	15.730
3.148	Business Rates receivable from ratepayers	3.376
<u>132.170</u>	Total	<u>147.931</u>

The Other Entities and Individuals category in 2025 - 2026 includes payments over £1 million in relation to: income due for waste services, dividend income, 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 bases, therefore the timing of the payment spans over 31 March 2026, hence a debtor shown at the balance sheet date. The category also includes income due from the Council renting our buildings and the county farm estate and prepayments for IT support contracts.

16. Cash and Cash Equivalents

31 March 2025 £ million		31 March 2026 £ million
6.340	Cash and Cash Equivalents	5.321
<u>6.340</u>	Total	<u>5.321</u>

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 2026 are detailed in the table below:

Notes to the Core Statements

31 March 2025 £ million		31 March 2026 £ million
0.107	Collaborative Communities Board	0.219
0.431	Dedham Vale National Landscape and Stour Valley Joint Advisory Committee	0.453
0.164	East Suffolk Lines Community Rail Partnership	0.169
1.248	Environment Agency	2.799
0.617	Emergency Planning	0.635
0.048	Greater Anglia	0.084
1.400	Halesworth Campus Ltd	1.456
0.368	Historic Environment Partnership	0.324
1.281	Ipswich and East Suffolk Health and Care Alliance Fund	0.234
0.105	Ipswich and East Suffolk Integrated Care Board	0.105
1.272	Integrated Care Boards Commission Services (Children's)	1.221
0.014	Ministry of Defence	0.014
1.075	Monies held on behalf of looked after children	0.648
0.613	Monies held on behalf of vulnerable adults	0.652
0.058	National Grid	0.040
0.174	National Lottery	0.351
0.029	Natural England	0.028
0.060	New Anglia Local Enterprise Partnership	0.000
0.012	Norfolk & Waveney Integrated Care Board	0.005
0.202	Nuclear Legacy Advisory Forum	0.215
0.070	Opportunity Development Funding	0.070
0.000	Scottish Power Foundation	0.250
0.644	Suffolk & Essex Coast & Heaths National Landscape Joint Advisory Committee	0.633
1.100	Suffolk & North East Essex Integrated Care Board	0.827
0.207	Suffolk Climate Change Partnership	0.187
11.045	Suffolk Public Sector Leaders Business Rates Pool	7.902
0.148	Suffolk Waste Partnership	0.102
0.557	Transforming Suffolk	0.557
0.488	Transport East	0.702
0.312	West Suffolk Health and Care Alliance Fund	0.301
0.016	Other (Balances less than £0.100 million)	0.489
23.865		21.672

17. Short-Term Creditors

31 March 2025 £ million		31 March 2026 £ million
-16.962	Central government bodies	-18.804
-18.311	Other local authorities	-15.878
-11.064	NHS bodies	-6.932
-79.670	Other entities and individuals	-82.712
-11.310	Council Tax payable to taxpayers	-16.665
-2.945	Business Rates payable to ratepayers	-1.973
-140.262	Total	-142.964

The Other entities and individual's category in 2025 - 2026 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 and digital services provision. It also includes receipts in advance over £1 million for: payment for registrar's ceremony services, IT network services and support and 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 2025	-7.450
Additional provisions made in 2025 - 2026	-5.577
Amounts used in 2025 - 2026	0.053
Unused amounts reversed in 2025 - 2026	6.619
Balance at 31 March 2026	-6.355

Other Provisions

There are four provisions included within the current balance. Benefits Payable during Employment (£5.559 million), redundancy (£0.071 million), water hydrants (£0.044 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 provision 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 £5.559 million is made up of £1.341 million which relates to teachers working in schools, which is governed by where the end of term falls in relation to 31 March 2026 and £4.218 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.

Notes to the Core Statements

Non-current Provisions

Injury and Damage Compensation Claims	
£ million	
Balance at 1 April 2025	-4.165
Additional provisions made in 2025 - 2026	-0.146
Balance at 31 March 2026	-4.311

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 2024 - 2025 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 2025	Unusable Reserves	31 March 2026
£ million		£ million
243.529	Revaluation Reserve	261.142
528.672	Capital Adjustment Account	559.899
-201.988	Pensions Reserve	-201.835
2.133	Collection Fund Adjustment Account	0.467
-6.619	Accumulated Absences Account	-5.559
-0.599	Pooled Investment Fund Adjustment Account	-0.599
-97.638	Dedicated Schools Grant Adjustment Account	-163.840
8.516	Deferred Capital Receipts Reserve	2.566
-18.288	Financial Instrument Adjustment Account	-17.842
457.719	Total Unusable Reserves	434.400

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.

Notes to the Core Statements

31 March 2025 £ million		Revaluation Reserve	31 March 2026 £ million	
231.454	Balance at 1 April		243.529	
-1.124	Restatements		0.000	
25.304	Revaluation of assets		34.776	
0.000	Impairment of assets		-0.199	
255.634	Surplus on revaluation of non-current assets not posted to the Deficit on the Provision of Services		278.106	
			-7.508	
-7.294	Difference between fair value depreciation and historical cost depreciation		-7.508	
-4.811	Accumulated gains on assets sold or disposed of		-9.456	
-12.105	Amount written off to the Capital Adjustment Account		-16.964	
243.529	Balance at 31 March		261.142	

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 2025 £ million		Capital Adjustment Account	31 March 2026 £ million	
517.131	Balance at 31 March		528.672	
5.684	Adjustment of opening balances on transition to IFRS 16 Leases		0.000	
-0.250	Other restatements		0.000	
522.565	Adjusted Balance at 1 April 2024		528.672	
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Account:</u>			
-68.255	Charges for depreciation, revaluations and impairment of non-current assets		-56.602	
-22.503	Revenue expenditure funded from capital under statute		-24.159	
-22.809	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		-32.284	
-113.568			-113.045	
12.105	Adjusting amounts written out of the Revaluation Reserve		16.964	
-101.463	Net written out amount of the cost of non-current assets consumed in the year		-96.082	
	<u>Capital financing applied in the year:</u>			
3.957	Use of the Capital Receipts to finance new capital expenditure		1.717	
71.976	Capital grants and contributions credited to the Comprehensive Income and Expenditure Account that have been applied to capital financing		92.623	
13.425	Statutory provision for the financing of capital investment charged against the General Fund		14.220	
8.297	Capital expenditure charged against the General Fund		13.581	
97.655			122.141	
9.915	Income related to Donated Assets Account credited to the Comprehensive Income and Expenditure Account		5.167	
528.672	Balance at 31 March		559.899	

Notes to the Core Statements

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.

Pensions Reserve		31 March 2026
31 March 2025		£ million
£ million		
-207.500	Balance at 1 April	-201.988
3.756	Remeasurement of the net defined benefit liability	-14.794
-49.797	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	-40.696
51.553	Employer's pensions contributions and direct payments to pensioners payable in the year	55.643
<u>-201.988</u>	Balance at 31 March	<u>-201.835</u>

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 2026
31 March 2025		£ million
£ million		
3.391	Balance at 1 April	2.133
-1.258	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	-1.666
<u>2.133</u>	Balance at 31 March	<u>0.467</u>

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 2026. 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 2026
31 March 2025		£ million
£ million		
-5.930	Balance at 1 April	-6.619
5.930	Settlement or cancellation of accrual made at the end of the preceding year	6.619
-6.619	Amounts accrued at the end of the current year	-5.559
-0.689	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	1.060
<u>-6.619</u>	Balance at 31 March	<u>-5.559</u>

Notes to the Core Statements

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 2026.

Pooled Investment Fund Adjustment Account		31 March 2026 £ million
31 March 2025 £ million		
-0.682	Balance at 1 April	-0.599
0.083	Change in Investments not charged to the Surplus/Deficit on Provision of Services	0.000
<u>-0.599</u>	Balance at 31 March	<u>-0.599</u>

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 £163.840 million at 31 March 2026 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 2026 £ million
31 March 2025 £ million		
-54.101	Balance at 1 April	-97.638
-43.536	Transfer of overspend to Reserve	-66.202
<u>-97.638</u>	Balance at 31 March	<u>-163.840</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 which concluded in 2025 - 2026. 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 2026 £ million
31 March 2025 £ million		
12.000	Balance at 1 April	8.516
2.466	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0.000
-5.950	Transfer to the capital receipts reserve on receipt of cash	-5.950
<u>8.516</u>	Balance at 31 March	<u>2.566</u>

Notes to the Core Statements

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 2025 – 2026 amortisation of the premium and the balance remaining.

31 March 2025		Financial Instrument Adjustment Account		31 March 2026	
£ million				£ million	
-18.734	Balance at 1 April			-18.288	
0.446	Amortised premiums			0.446	
<u>-18.288</u>	Balance at 31 March			<u>-17.842</u>	

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 2025 - 2026.

Notes to the Core Statements

The table below details income and expenditure for the year.

2024 - 2025			2025 - 2026	
<u>£ million</u>	<u>£ million</u>		<u>£ million</u>	<u>£ million</u>
		Income		
-2.337		Suffolk County Council	-2.446	
<u>-1.421</u>		Integrated Care Boards	<u>-1.487</u>	
	-3.758			-3.933
		Expenditure		
0.036		Staffing	0.036	
0.188		Support Work	0.188	
3.185		Supported Housing	3.361	
0.100		Advocacy	0.100	
0.100		Direct Payments	0.100	
<u>0.148</u>		Other Projects	<u>0.148</u>	
	3.758			3.933
	<u>0.000</u>	Net under (-) or over spend		<u>0.000</u>

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.

2024 - 2025		Overall Summary		2025 - 2026	
<u>£ million</u>	<u>£ million</u>			<u>£ million</u>	<u>£ million</u>
		Income	Contribution to BCF		
-109.101		Funding: Revenue		-110.228	
-8.688		Capital		-11.342	
	-117.788				-121.570
		Expenditure			
109.101		Revenue		110.228	
6.645		Capital		7.122	
	115.745				117.350
	<u>-2.043</u>	Net under (-) or over spend			<u>-4.220</u>

The net underspend in 2024 – 2025 of £2.043 million relates to the Disabled Facilities Grant, which was then carried forward into 2025 – 2026 and is reflected in the £11.342 million of funding contribution available. During 2025 – 2026, £7.122m of the grant was utilised, with an underspend of £4.220 million which is then carried forward into 2026 – 2027.

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

Notes to the Core Statements

2024 - 2025		Detailed Summary - Revenue & Capital		2025 - 2026	
£ million	£ million			£ million	£ million
		Income	Contribution to BCF		
-69.056		Funding:	Suffolk County Council	-47.127	
-40.699			Suffolk & North East Essex Integrated Care Board	-62.825	
<u>-8.033</u>			Norfolk & Waveney Integrated Care Board	<u>-11.618</u>	
	-117.788				-121.570
		Expenditure			
36.162			Ipswich & East Better Care Fund	58.726	
15.403			Ipswich & East Improved Better Care Fund	0.000	
6.532			Ipswich & East Discharge Fund	0.000	
2.489			Ipswich & East Disabled Facilities Grant costs	3.179	
20.233			West Better Care Fund	32.857	
8.006			West Improved Better Care Fund	0.000	
4.289			West Discharge Fund	0.000	
1.952			West Disabled Facilities Grant costs	2.294	
10.410			Waveney Better Care Fund	18.646	
5.598			Waveney Improved Better Care Fund	0.000	
2.466			Waveney Discharge Fund	0.000	
2.204			Waveney Disabled Facilities Grant costs	1.649	
	115.745				117.350
	<u>-2.043</u>	Net under (-) or over spend			<u>-4.220</u>

21. Councillors' Allowances

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

2024 - 2025			2025 - 2026	
£ million			£ million	
0.934	Basic allowance		0.964	
0.382	Special responsibility allowance		0.401	
<u>0.052</u>	Expenses		<u>0.050</u>	
<u>1.369</u>	Total		<u>1.415</u>	

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.

Employees' pay is defined in the latest Code of Practice on Local Authority Accounting in the United Kingdom 2025 - 2026. 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. Senior Officers are classified as the statutory officers of the Council, Service Directors and other posts that report directly to the Chief Executive where total pay exceeds £50,000. In accordance with the Code of Practice, only those Senior Officers with salaries over £150,000 per annum have been named.

Notes to the Core Statements

Dates	Job Title	Notes	Salary, Fees & Allowances (Gross Pay) £	Expense Allowances Chargeable to Tax £	End of Employment Payment £	Pension Contribution (Employer) £	Total £
2025 - 2026							
01/04/2025 - 31/03/2026	Chief Executive - Nicola Beach		204,056	-	-	39,587	243,643
01/04/2025 - 31/03/2026	Deputy Chief Executive / Executive Director of Growth, Highways and Infrastructure - Andrew Cook		166,607	-	-	32,322	198,928
01/04/2025 - 31/03/2026	Executive Director of Children and Young People's Services - Sarah-Jane Smedmore		163,959	-	-	29,346	193,305
01/04/2025 - 31/03/2026	Chief Fire Officer and Executive Director of Public Safety - Jon Lacey		152,989	-	-	57,524	210,514
01/04/2025 - 31/03/2026	Executive Director of Adult Social Care		144,480	-	-	28,029	172,509
01/04/2025 - 31/03/2026	Executive Director of Public Health and Communities		136,038	-	-	25,468	161,506
01/04/2025 - 31/03/2026	Chief Financial Officer (Section 151 Officer)		119,837	-	-	23,248	143,085
14/07/2025 - 31/03/2026	Executive Director Organisational Change and Local Government Reorganisation	1	118,070	-	-	22,906	140,975
01/04/2025 - 31/03/2026	Assistant Director (Governance, Legal and Assurance) (Monitoring Officer)		117,885	-	-	22,870	140,755
01/04/2024 - 31/05/2025	Deputy Chief Executive / Executive Director of Corporate Services	2	61,237	-	6,764	11,508	79,509

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:

- a. Where the senior employee's salary is £150,000 or more per year, they have been identified by name and job title;
- b. 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 £	End of Employment Payment £	Pension Contribution (Employer) £	Total £
2024 - 2025							
01/04/2024 - 31/03/2025	Chief Executive - Nicola Beach		197,729	0	0	37,679	235,409
01/04/2024 - 31/03/2025	Executive Director of Growth, Highways and Infrastructure - Andrew Cook		154,099	0	0	29,895	183,994
01/04/2024 - 31/03/2025	Deputy Chief Executive / Director of Corporate Services		147,408	650	0	26,354	174,412
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
06/07/2024 - 31/03/2025	Executive Director of Children and Young People's Services	3	117,021	0	0	21,471	138,492
01/04/2024 - 31/03/2025	Chief Financial Officer (Section 151 Officer)		114,230	0	0	22,161	136,391
01/04/2024 - 31/03/2025	Assistant Director (Governance, Legal and Assurance) (Monitoring Officer)		112,349	0	0	21,796	134,145
06/01/2025 - 31/03/2025	Executive Director - Adult Social Care	4	33,118	0	0	6,425	39,543

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 may not match precisely to corresponding table in the 2024 - 2025 Statement of Accounts.

Notes to the Core Statements

- **Note 1:** The Executive Director Organisational Change and Local Government Reorganisation was appointed on 14 July 2025.
- **Note 2:** Deputy Chief Executive / Executive Director of Corporate Services left the Council's employment on 31 May 2025. Andrew Cook assumed the Deputy Chief Executive role alongside his position as Executive Director of Growth, Highways and Infrastructure from 20 June 2025.
- **Note 3:** The new Executive Director of Children and Young People's Services was appointed on 6 July 2024.
- **Note 4:** The new Executive Director of Adult Social Care was appointed on 6 January 2025.

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 2025 – 2026 (2024 - 2025 19.4%).

The Firefighters' Pension Scheme is a statutory scheme and employer contributions are assessed by the Government Actuary Department. The 2025 – 2026 contribution rate was 37.6% (37.6% 2024 – 2025) 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 2025 - 2026 are detailed in the table below.

Remuneration Band	2024 - 2025 No of employees Non Schools	2025 - 2026 No of employees Non Schools	2024 - 2025 No of employees Schools	2025 - 2026 No of employees Schools
£50,000 - £54,999	214	295	103	131
£55,000 - £59,999	156	245	51	60
£60,000 - £64,999	114	82	34	39
£65,000 - £69,999	68	87	28	27
£70,000 - £74,999	35	61	25	26
£75,000 - £79,999	42	43	18	22
£80,000 - £84,999	5	29	4	11
£85,000 - £89,999	4	5	8	5
£90,000 - £94,999	7	7	2	8
£95,000 - £99,999	4	5	2	1
£100,000 - £104,999	11	6	0	1
£105,000 - £109,999	4	7	0	0
£110,000 - £114,999	4	2	0	1
£115,000 - £119,999	1	3	0	0
£120,000 - £124,999	0	1	0	0
£125,000-£129,999	0	1	1	0
£130,000-£135,999	0	2	0	0
£135,000 - £139,999	0	0	0	1
£140,000 - £144,999	1	1	0	0
£155,000-£159,999	1	0	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 2025 - 2026 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 2025 – 2026 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 2025 - 2026 the Council incurred the following fees relating to external audit.

2024 - 2025 £ million		2025 - 2026 £ million
0.292	Fees payable to external audit services carried out by the appointed auditor for the year	0.300
0.292	Total	0.300

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 2025 – 2026 audit is the third of a five-year appointing period specified by Public Sector Audit Appointments (PSAA), covering 2023 – 2024 to 2027 – 2028.

During 2025 – 2026 fees were paid to the external auditor for the prior years 2022 - 2023 (£0.022 million) and 2023 - 2024 (£0.022 million) following confirmation by the PSAA under the 17(2) of the Local Audit (Appointing Person) Regulations, to review and agree fee variations for additional work carried out. Additional work carried out by the external auditor for 2024 - 2025 have been proposed to the PSAA by the external auditor and is awaiting confirmation of approval.

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 2025 – 2026 are as follows:

	Central expenditure £ million	Individual schools budget £ million	Total £ million
Final DSG for 2025 - 2026 before academy and high needs recoupment			794.269
Academy and high needs figure recouped for 2025 - 2026			483.778
Total DSG after academy and high needs recoupment for 2025 - 2026			310.492
Agreed initial budgeted distribution in 2025 - 2026	104.615	205.906	310.521
In-year adjustments	0.000	-0.029	-0.029
Final budget distribution for 2025 - 2026	104.615	205.877	310.492
Less: Actual central expenditure	173.107	0.000	173.107
Less: Actual ISB deployed to schools	0.000	203.586	203.586
In-year carry-forward to 2026 - 2027	-68.493	2.291	-66.202
DSG unusable reserve at the end of 2024 - 2025			-97.638
Addition to DSG unusable reserve at the end of 2025 -2026			-66.202
Total of DSG unusable reserve at the end of 2025 - 2026			-163.840

Notes to the Core Statements

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.

Note 3 In 2025 - 2026 the DfE's safety valve intervention programme continued to target local authorities with the highest DSG deficits. The programme requires 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 (Suffolk) are part of the Delivering Better Value (DBV) programme which commenced in 2022 - 2023. DBV ended during 2025 - 2026. The High Needs Stability Grant has been introduced for 2026 - 2027 which is government funding provided to local authorities to help manage financial pressures within the High Needs Block. It is intended to support councils in achieving more sustainable spending by stabilising deficits while they implement reforms to improve efficiency and outcomes. Local authorities can access the High Needs Stability Grant if they have a DSG deficit and secure DfE approval for a credible local SEND reform plan, with allocations calculated based on their eligible deficit position. The funding effectively covers around 90% of each authority's high-needs (SEND) deficit accrued up to 2025 - 2026.

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:

	2024 - 2025	2025 - 2026
	£ million	£ million
Credited to Taxation and Non Specific Grant Income		
Adult Social Care Discharge Fund	-6.778	0.000
Eastern Inshore Fisheries Conservation Authority Support Grant	-0.114	-0.114
Improved Better Care Fund	-29.008	-35.786
National Insurance	0.000	-4.700
New Homes Bonus	-1.033	-1.102
Revenue Support Grant	-21.509	-23.359
Rural Services Delivery Grant	-2.950	0.000
Services Grant	-0.717	0.000
Transparency Code	-0.013	0.000
Total	-62.122	-65.061

Notes to the Core Statements

Grants credited to services:

	2024 - 2025	2025 - 2026
	£ million	£ million
Credited to Services		
16-19 Teachers Pension Grant	0.000	-0.191
Active Travel Revenue	-1.307	-0.561
Active Travel Capital	0.000	-0.526
Adult Skills	-2.843	-3.398
Afghan Interpreter Resettlement	-0.668	-0.545
Apprenticeship Levy	-1.092	-1.232
Asylum Seekers - Southern	0.000	-0.263
Basic Need Funding- Capital	-0.618	-1.777
Behaviour Change Fund	0.000	-0.228
Best Start Family Hubs Development	0.000	-0.240
Bikeability	-0.242	-0.133
Building Safety Regulator Grant	-0.125	-0.076
Bus Service Improvement Plans Plus (BSIPP)	-3.578	-1.516
Bus Grant	0.000	-0.370
Bus Subsidy	-0.754	-0.808
Capability Fund	-0.170	-0.020
Childcare Expansion Grant	-0.178	-0.339
Children Social Care Prevention	0.000	-2.293
Children and Families	0.000	-4.610
Community Testing Funding	-0.419	0.000
Connect to Work	0.000	-0.531
Contain Outbreak Management Fund	-0.757	0.000
Core Growth Hub	-0.058	-0.264
Core Schools Budget	-4.155	-7.178
Dedicated Schools Grant (DSG)	-277.462	-308.257
Delivering Better Value	-0.489	-0.443
Devolution of Adult Education Budget Implementation	0.000	-0.186
Devolved Formula Capital	-0.062	-0.009
Disabled Facilities Grant- Capital	-8.688	0.000
Domestic Abuse Duty Capacity Building Fund	-0.782	-2.656
Drug & Alcohol : Individual Placement and Support	-0.158	-0.217
Drug & Alcohol Treatment & Recovery	-1.573	-1.573
Early Career Framework Mentor Training	-0.201	-0.142
Early Years Expansion Private, Voluntary & Independent	0.000	-0.801
Early Years Professional Development Programme	-0.037	0.000
Energy from Waste Contract (Private Finance Initiative)	-7.864	-7.864
Enhanced Bus Partnership Capacity	0.000	0.000
England Coast Path	0.000	-0.210
Enhanced Bus Partnership Capacity	0.000	-0.125
Extended Personal Adviser Duty Implementation	-0.164	0.000
Extended Producer Responsibility for packaging guarantee	0.000	-1.757
Extended Rights for Home to Schools Travel	-1.481	0.000
Extension of the Role of Virtual School Heads to Certain Previously Looked after Children	-0.243	0.000
Families First Partnership Programme Transformation	0.000	-0.128
Fire - Private Finance Initiative	-2.193	-2.193
Fire and Rescue Firelink	-0.094	0.000
Fire Pensions	-0.914	-0.840
Fire Protection Uplift	-0.057	0.000
Fire Remedy Compensation	0.000	-0.231
Green Home Grant	-0.003	0.000
Healthwatch Suffolk	-0.192	0.000
High Needs Grant- Capital	-3.764	-6.779
Holiday Activities and Food Programme	-1.983	-2.159
Home Upgrade Grant	-1.147	-2.997
Homes for Ukraine	-3.021	-1.845
Household Support Fund	-10.228	-8.834

Table continues overleaf

Notes to the Core Statements

Grants credited to services (continued):

	2024 - 2025	2025 - 2026
	£ million	£ million
Credited to Services		
Land on the south side of Kelly Road, Ipswich	0.000	-0.311
Leaving Care Allowance Uplift Grant	-0.166	0.000
Legal Aid, Sentencing and Punishment of Offenders (LASPO)	-0.163	-0.157
Local Electric Vehicle Infrastructure Capability (LEVI)	-0.241	-0.241
Local Government Reorganisation Development	0.000	-0.145
Local Nature Recovery Strategies - Seed funding	-0.108	-0.136
Local Reform and Community Voices	-0.275	-0.467
Local Stop Smoking Services and Support	-1.013	-0.970
Local Transport Fund	-0.553	-0.391
Looked after children	0.000	-0.166
Market Sustainability & Improvement Fund	-14.269	-14.269
Multiply Project	-1.514	0.000
Music Education Hubs	-0.389	0.000
National Insurance Contributions Grant - Schools	0.000	-2.078
On-Street Residential Chargepoint Scheme	0.000	-0.053
One Public Waste	-0.031	0.000
Physical Education and Sport Premium	-1.589	-1.319
Planning Skills Delivery & Pathways to Planning	-0.056	-0.107
Post Local Enterprise Partnership	-0.396	0.000
Property Flood Resilience Grant	-0.673	-0.653
Public Health	-33.251	-35.127
Pupil Premium	-8.011	-7.415
Redmond Review	-0.074	-0.107
School Condition Allocation - Capital	-0.120	-0.739
Schools Budget Support	0.000	-1.081
School Led Tutoring	-0.005	0.000
Schools Sixth Form	-3.368	-3.306
Short Breaks Innovation Fund	-0.812	0.000
Skills for the Future	-0.114	0.000
Social Care Grant	-68.711	-80.808
Social Care in Prisons	-0.251	-0.238
Social Care Reforms	-0.311	0.000
Staying Close Children's Social Care Innovation Programme	-0.343	-0.343
Staying Put	-0.347	0.000
Suffolk Retrofit Loan Scheme	-1.151	-1.816
Supported Accommodation Reforms	-1.225	0.000
Supported Internships	-0.055	-0.189
Supporting Families	-2.631	0.000
Syrian Resettlement Programme	-0.362	-0.328
Teacher Pay Grant	-6.783	-0.314
Treescape Fund - Capital	-0.039	-0.008
Turnaround	-0.200	-0.138
Unaccompanied Asylum Seeking Children (including Care Leavers)	-7.986	-7.548
Universal Infant Free School Meals	-2.729	-2.578
War Pensions Disregard	-0.173	-0.178
Warm Home	0.000	-0.473
Water Environment Grant	-0.474	0.000
Wrap Around	-1.326	-0.439
Youth Justice	-0.860	-0.873
Other Revenue	-0.709	-0.930
Total	-503.620	-543.782

Notes to the Core Statements

The Council has received revenue grants which relate to the 2026 - 2027 financial year which are yet to be recognised as income. The balances held in short-term creditors at the year-end are:

	31 March 2025 £ million	31 March 2026 £ million
Revenue Grants Receipts in Advance		
Active Travel	-0.315	-0.270
Active Travel – Social Prescribing	-0.608	-0.093
Afghan Interpreter Resettlement	-1.569	-1.911
Assessed and Supported Year in Employment (ASYE) Programme	-0.038	-0.058
Behaviour Change Fund 2023	-0.274	-0.046
Brownfield	-0.280	-0.267
Building Safety Regulator	-0.092	-0.115
Bus Service Improvement Plans Plus (BSIPP)	0.000	-1.289
Bus Subsidy	-0.193	0.000
Capability Fund - Active Travel	-0.022	-0.002
Connect to Work	-0.095	0.000
Core Schools Budget	0.000	-0.391
Delivering Better Value Grant Income	-0.443	0.000
Domestic Abuse Safe Accommodation	-2.728	-1.906
Fire Protection Accreditation	-0.013	-0.012
Fire Protection Uplift	-0.090	-0.132
Holiday Activities and Food Programme	-0.611	-0.086
Homes for Ukraine	-8.761	-9.513
Local Transport Fund	0.000	-0.455
Multiply Project	-0.034	0.000
Skills for Care	-0.010	0.000
Social Work Teaching Partnership	-0.059	0.000
Support for Planning of Developments	-0.239	0.000
Syrian Resettlement Programme	-0.473	-0.249
Total	-16.948	-16.794

Notes to the Core Statements

Capital grants and contributions recognised as income:

	2024 - 2025 £ million	2025 - 2026 £ million
Capital Grants and Contributions		
Bellway Homes Ltd	0.000	-0.377
BT PLC	-0.832	-1.863
Barley Homes Group Ltd	0.000	-0.147
Bloor Homes	-1.499	-0.928
Countryside Properties Ltd	-0.602	-0.047
Crest Nicholson Ltd (Eastern)	0.000	-0.333
Denbury Homes (previously Hopkins and Moore (Developments) Ltd)	-0.903	-0.309
Department for Education - Childcare Expansion Capital Grant 23-24	-0.066	-0.103
Department for Education - Children's Homes Capital Programme 2022-25	-0.329	-1.620
Department for Education - Devolved Formula Capital	-0.857	-0.759
Department for Education - High Needs	-0.032	-0.276
Department for Education - School Condition Allocation Grant	-3.484	-3.389
Department for Education - Basic Needs	-0.242	-7.678
Department for Education - Connect the Classroom	-0.334	0.000
Department for Education - RAAC Mitigation Grant (Thurston CC)	0.000	-0.185
Department for Energy Security & Net Zero - Climate Emergency Grant	-0.168	0.000
Department for Energy Security & Net Zero - Green Heat Network Fund Grant	0.000	-0.239
Department for Energy Security & Net Zero - Warm Homes Local Grant	0.000	-0.040
Department for Transport - A12 Improvement MRN Grant	-2.366	-2.844
Department for Transport - Active Travel Fund	-0.249	-1.359
Department for Transport - Consolidated Active Travel Fund	0.000	-0.924
Department for Transport - Bus Grant	0.000	-0.184
Department for Transport - Highway Maintenance Block	-15.132	-32.029
Department for Transport - Integrated Transport	-0.962	-2.991
Department for Transport - Local Highway maintenance : additional funding	-6.670	-11.741
Department for Transport - Pothole and Challenge Fund	-12.106	0.000
Department for Transport - Safer Roads Fund Grant	-0.006	-0.020
Department for Transport - Traffic Signal Obsolescence Grant	-0.612	-0.013
Forestry Commission - Treescape Grant	-0.003	0.000
Handford Homes Limited	0.000	-0.284
Hopkins Homes Ltd	0.000	-0.282
Keepmoat Homes Limited	0.000	-0.201
Local Authorities Contributions	-0.530	-3.006
Lovell Partnership Ltd	0.000	-0.220
Ministry of Housing, Communities & Local Government - One Public Estate	-0.222	0.000
Network Rail	-0.020	-0.300
Office for Zero Emission Vehicles - Local EV Infrastructure funding amount and tranche allocations	-0.003	-0.024
Office for Zero Emission Vehicles - Local EV Infrastructure Fund 2022 grant	0.000	-0.007
Persimmon Homes	-1.820	-0.822
Salix - decarbonisation grant	0.000	-0.022
Sizewell C Limited	-1.593	-1.255
Suffolk Police & Crime Commissioner	-2.142	0.000
Suffolk Public Sector Leaders	-3.720	3.720
Taylor Wimpey UK Ltd	-1.712	-1.005
Tilia Homes	-0.338	0.000
Vistry Homes Ltd	-0.304	-0.051
Western Homes PLC	-0.270	-0.055
West Suffolk Council	0.000	-0.449
Other	-1.152	-1.735
Total	-61.281	-76.397

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 2026 – 2027. The balances are:

	31 March 2025 £ million	31 March 2026 £ million
Capital Grants Receipts in Advance		
Department for Education - Devolved Formula Capital Grant	-2.411	-0.797
Department for Education - High Needs Grant	-10.159	-12.545
Department for Education - Childcare Expansion Capital Grant	-0.962	-0.520
Department for Education - Basic Need Grant	-1.239	-2.062
Department for Education - Children's Home Capital Programme	-0.061	-0.030
Department for Education - School Condition Allocation Grant	-0.001	-0.161
Department for Energy Security & Net Zero - Home Upgrade Grant	-3.239	0.000
Department for Transport - A12 Major Routes Network (MRN) Grant	0.000	-0.037
Department for Transport - Active Travel Fund	-12.130	-10.309
Department for Transport - Consolidated Active Travel Fund	0.000	-1.166
Department for Transport - Safer Roads Fund	-1.269	-1.249
Department for Transport - Integrated Transport Grant	-4.802	-5.082
Department for Transport - Traffic Signal Obsolescence Grant	-0.013	0.000
Forestry Commission - Treescape Grant	-0.024	-0.024
NHS Commissioning Board - Land on the south side of Kelly Road	-0.311	0.000
Office for Zero Emission Vehicles - Local EV Infrastructure funding amount and tranche allocations	-5.334	-5.310
Office for Zero Emission Vehicles - Local EV Infrastructure Fund 2022	-1.362	-1.355
Office for Zero Emission Vehicles - On-Street Residential Chargepoint Scheme Grant	-0.048	0.000
Ministry of Housing, Communities & Local Government - Suffolk Retrofit Loan Scheme	-1.849	-0.033
Ministry of Housing, Communities & Local Government - One Public Estate - Land Release	-0.185	-0.185
Suffolk Public Sector Leaders - Schools Solar Installation and Climate Action Fund	0.000	-3.720
Department for Environment, Food & Rural Affairs - Property Flood Resilience Grant	0.000	-0.284
Department for Transport - Electric Vehicle Pavement Channels Grant	0.000	-0.289
Dept for Energy Security & Net Zero - Warm Homes Local Grant	0.000	-1.162
Department for Transport - Bus Grant	0.000	-4.675
Total	-45.399	-50.994

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 2025 - 2026 Suffolk Group Holdings proposed a dividend of £1.250 million (2024 – 2025 £0.650 million) which remained unpaid at 31 March 2026.

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

Notes to the Core Statements

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

During 2025 - 2026 the Council incurred expenditure from the Vertas Group of companies of £21.976 million (2024 - 2025 £22.234 million). The Council also received income from the Vertas Group of £0.408 million (2024 - 2025 £0.462 million). The Council has a creditor balance of £1.194 million and a debtor balance of £4.757 million at 31 March 2026. Of the debtor balance £0.001 million is outstanding for over 30 days. The debtor balance includes a payment in advance of £4.431 million (2024 - 2025 £4.375 million) made by the Council for services to be provided within 2026 - 2027.

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 2025 - 2026 the Council incurred expenditure from Concertus of £9.173 million (2024 - 2025 £7.316 million). The Council also received income from Concertus of £0.034 million (2024 - 2025 £0.126 million). The Council has a creditor balance of £1.197 million and a debtor balance of £0.008 million at 31 March 2026. 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 2025 - 2026 the Council incurred expenditure from Opus of £7.910 million (2024 - 2025 £6.386 million). The Council also received income from Opus of £0.007 million (2024 - 2025 £0.005 million). The Council has a creditor balance of £0.317 million and a debtor balance of £0.001 million at 31 March 2026.

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 Council's accounts as a deferred Capital Receipt. Edmundham Developments has incurred some start up and preparation costs which are recognised within the Councils 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 2025 - 2026 the Council incurred expenditure from Realise Futures of £4.170 million (2024 - 2025 £4.902 million). The Council also received income from Realise Futures of £0.086 million (2024 - 2025 £0.101 million). The Council has a creditor balance of nil and a debtor balance of £0.018 million at 31 March 2026. Of the debtor balance, none is outstanding for more than 30 days.

Leading Lives IPS Ltd (Leading Lives)

Notes to the Core Statements

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 2025 - 2026 the Council incurred expenditure from Leading Lives of £10.480 million (2024 - 2025 £9.697 million). The Council also received income from Leading Lives of £0.200 million (2024 - 2025 £0.155 million). The Council has a creditor balance of £0.016 million and a debtor balance of £0.063 million at 31 March 2026.

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, and subsequently was bought back under the Council on 1 June 2025

During 2025 - 2026 the Council incurred expenditure from Libraries of £1.715 million for the period to 31 May 2025 (2024 - 2025 £7.404 million for the full financial year). The Council also received income from Libraries of £0.355 million for the period to 31 May 2025 (2024 - 2025 £0.206 million). The Council has a creditor balance of £0.003 million and a nil debtor balance at 31 March 2025.

Other Organisations

Eastern Inshore Fisheries and Conservation Authority

A councillor represents 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 2026, the total amount invested by the Council on behalf of the EIFCA, including accumulated interest, was £0.687 million (31 March 2025 £0.660 million).

Ipswich Buses Ltd

One of the non-executive directors of Ipswich Buses Ltd is also a County Councillor. In 2025 - 2026 the Council made payments to Ipswich Buses Ltd totalling £1.883 million (2024 - 2025 £1.864 million). The Council also received income from Ipswich Buses of £0.002 million (2024 - 2025 £0.002 million). The council has a creditor balance below £0.000 million and a debtor balance below £0.000 million.

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 2025 – 2026 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 2026 the company held net assets of £1.658 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:

2024 -2025 £ million		2025 - 2026 £ million
0.374	Other Related Transactions (Councillors)	0.213
0.848		0.213

Notes to the Core Statements

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

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) 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:

2024 - 2025 Income £ million		2025 - 2026 Income £ million
1.591	Administration Expenses charged to Pension Fund	1.555
<u><u>1.591</u></u>		<u><u>1.555</u></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

	2024 - 2025 £ million	2025 - 2026 £ million
Opening Capital Financing Requirement	850.853	876.169
Right of Use Assets - Opening Balance Adjustment	5.495	
Revised Opening Capital Financing Requirement	856.348	876.169
<u>Capital investment</u>		
Property, Plant and Equipment - Operational Assets	91.064	86.563
Property, Plant and Equipment - Non Operational Assets	3.130	9.219
Intangible Assets	0.766	0.756
Heritage Assets	0.013	0.149
Revenue Expenditure Funded from Capital under Statute	22.503	24.159
<u>Sources of finance</u>		
Capital receipts	-3.957	-1.717
Government grants and other contributions	-71.976	-92.623
Sums set aside from revenue:		
Direct revenue contributions	-8.297	-13.581
Minimum revenue provision	-13.425	-14.220
Closing Capital Financing Requirement	876.169	874.874
<u>Explanation of movements in year</u>		
Increase/decrease (-) in underlying need to borrow	25.318	-1.296
Increase/ Decrease (-) in Capital Financing Requirement	25.318	-1.296

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

28. Leases

Authority as Lessee

The Council's lease contracts are 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 2025	15.986	0.706	16.692
Additions	3.451	1.046	4.497
Revaluations	1.048	0.000	1.048
Indexation	-0.040	0.000	-0.040
Depreciation and amortisation	-1.331	-0.520	-1.851
Disposals	-0.176	-0.007	-0.183
Balance as at 31 March 2026	18.938	1.225	20.163

Notes to the Core Statements

Transactions Under Leases

The Council incurred the following expenses and cash flows in relation to leases.

	2024 - 2025 £million	2025 - 2026 £million
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	0.298	0.284
Expense relating to short-term leases	0.023	0.007
Expense relating to exempt leases of low-value items	0.062	0.023
Variable lease payments not included in the measure of lease liabilities	0.000	0.000
Income from subletting right-of-use assets	-0.065	-0.048
Gains or losses arising from sale and leaseback transactions	0.000	0.000
Cash flow Statement		
Minimum lease payments	1.450	1.344

Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands.

	2024 - 2025 £million	2025 - 2026 £million
Less than one year	1.180	1.312
One to five years	2.718	2.659
More than five years	2.570	1.992
Total undiscounted liabilities	6.468	5.962
Finance charges allocated to future periods	-1.673	-1.414
Net lease liabilities at 31 March 2026	4.795	4.548

Authority as Lessor

Finance Leases

The Council has leased out a total of 234 properties and does not recognise these assets on the balance sheet. Of the 234 properties, 221 are school properties 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 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:

Notes to the Core Statements

	31 March 2025	31 March 2026
	£ million	£ million
Not later than one year	1.414	1.125
Later than one year and not later than five years	3.167	2.492
Later than five years	4.887	6.337
	<u>9.468</u>	<u>9.954</u>

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 2025 - 2026 £1.416 million was receivable by the Council in relation to County Farms (£1.483 million in 2024 - 2025).

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.

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 2025 – 2026 with comparators and the movement in the value of the liability.

Movement in the value of Fire Stations

	2024 - 2025	2025 - 2026
	£ million	£ million
Value at start of year	14.443	13.753
Revaluations	-0.256	1.595
Depreciation	-0.434	-0.416
Value at end of year	<u>13.753</u>	<u>14.932</u>

Liability outstanding on the Fire PFI Contract

	2024 - 2025	2025 - 2026
	£ million	£ million
Balance outstanding at start of year	10.356	9.761
Payments during the year	-0.595	-0.661
Balance outstanding at end of year	<u>9.761</u>	<u>9.100</u>

Notes to the Core Statements

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 2026 - 2027	0.736	1.026	1.174	-1.097	1.839
Payable within two to five years	3.871	3.175	4.697	-4.386	7.357
Payable within six to ten years	4.493	1.084	3.719	-3.244	6.052
Total	9.100	5.285	9.590	-8.727	15.248

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 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 2025 – 2026 with comparators and the movements in the value of the liability and the donated asset.

Notes to the Core Statements

Movement in the value of the Energy from Waste Facility

	2024 - 2025 £ million	2025 - 2026 £ million
Value at start of year	166.625	166.870
Additions	2.335	2.640
Revaluation	1.281	9.695
Depreciation	-5.855	-6.080
Adjustment for Inflation (IFRS 16)	2.484	0.114
Value at end of year	<u>166.870</u>	<u>173.239</u>

Liability outstanding on the Waste PFI contract

	2024 - 2025 £ million	2025 - 2026 £ million
Balance outstanding at start of year	24.444	25.385
Payments during the year	-3.878	-3.991
Capital expenditure incurred in the year	2.335	2.640
Adjustment for Inflation (IFRS 16)	2.484	0.114
Balance outstanding at end of year	<u>25.385</u>	<u>24.148</u>

Donated Asset Account within the Waste PFI Contract

	2024 - 2025 £ million	2025 - 2026 £ million
Balance outstanding at start of year	76.085	71.330
Payments during the year	-4.755	-4.755
Balance outstanding at end of year	<u>71.330</u>	<u>66.575</u>
Short Term Donated Asset Account	4.755	4.755
Long Term Donated Asset Account	66.575	61.819
	<u>71.330</u>	<u>66.574</u>

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 2026 - 2027	1.431	1.551	5.097	2.688	-7.864	2.903
Payable within two to five years	4.453	5.473	20.473	12.491	-31.455	11.435
Payable within six to ten years	9.504	4.628	25.831	13.620	-39.319	14.264
Payable within eleven to fifteen years	8.760	1.241	18.976	10.347	-28.507	10.817
Total	<u>24.148</u>	<u>12.893</u>	<u>70.377</u>	<u>39.146</u>	<u>-107.145</u>	<u>39.419</u>

Notes to the Core Statements

The repayment of the liability of both schemes amounting to £33.248 million reconciles to the short and long-term PFI liability figures on the Balance Sheet.

30. Impairment Losses

During 2025 – 2026 the Council recognised impairment losses of £0.306 million due to the demolition of a property. Of the £0.306 million, £0.107 million was recognised in the Comprehensive Income and Expenditure Statement and £0.199 million was reversed previous revaluation gains in the Revaluation Reserve.

31. Termination Benefits and Exit Packages

The 2025 - 2026 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.

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)	
	2024 - 2025	2025 - 2026	2024 - 2025	2025 - 2026	2024 - 2025	2025 - 2026	2024 - 2025	2025 - 2026
£0 - £20,000	16	11	6	12	22	23	0.206	0.207
£20,001 - £40,000	8	0	3	3	11	3	0.307	0.077
£40,001 - £60,000	1	0	1	1	2	1	0.101	0.053
£60,001 - £80,000	3	1	0	1	3	2	0.208	0.152
£80,001 - £100,000	3	0	0	1	3	1	0.262	0.098
Total - excluding provision	18	12	8	18	26	30	1.084	0.587

The total cost of £0.587 million in the table above includes exit packages that have been paid in 2025 - 2026 using £0.039 million of the provision which was set up as at 31 March 2025. In addition, the Comprehensive Income and Expenditure Statement includes a provision for £0.071 million as at 31 March 2026 which is set aside to pay officers in 2026 - 2027. These costs are not included in the bands but will be in 2026 - 2027 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 2025 - 2026, the Council paid £17.136 million of employer contributions to the Teachers' Pension Scheme in respect of teachers'

Notes to the Core Statements

retirement benefits (2024 – 2025 £17.672 million), representing 28.68% of pensionable pay from 1 April 2025 to 31 March 2026 (2024 - 2025 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 2025 - 2026, the Council paid £0.469 million of employer contributions (2024 – 2025 £0.455 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 16.88% of pensionable pay (2024 – 2025 16.88%).

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 150 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:

Notes to the Core Statements

	Local Government Pension Scheme		Unfunded Liabilities Uniformed Fire Fighters	
	2024 - 2025 £ million	2025 - 2026 £ million	2024 - 2025 £ million	2025 - 2026 £ million
Comprehensive Income and Expenditure Account				
<i>Cost of Services:</i>				
Current service cost	38,285	28,695	1,600	1,500
Past Service cost/(-)gain	0,242	0,120	0,000	0,000
Settlements and Curtailments cost/(-)gain	-0,585	-0,606	0,000	0,000
<i>Financing and Investment Income and Expenditure</i>				
Net interest	0,355	-0,013	9,900	11,000
<i>Total Post Employment Benefits Charged to the Surplus or Deficit on the Provision of Services</i>	38,297	28,196	11,500	12,500
<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)	-8,917	-46,610	0,000	0,000
Actuarial gains (-) and losses arising on changes in demographic assumptions	-2,828	-23,334	-3,200	1,800
Actuarial gains (-) and losses arising on changes in financial assumptions	-248,645	-33,701	-27,900	-5,500
Expected pension increase order	0,000	0,000	-1,300	1,600
Other experience	-15,293	166,504	16,913	1,970
Changes in the effect of the asset ceiling	278,722	-47,935	0,000	0,000
<i>Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Account</i>	3,039	14,924	-15,487	-0,130
<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	-38,297	-28,196	-11,500	-12,500
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>				
Employers' contributions payable to the scheme	42,140	43,573	9,413	12,070

The remeasurement of the net defined liability on the face of the Comprehensive Income and Expenditure Statement, £17.794 million, is net of the Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Account in relation to the Local Government Pension Scheme, £14.924 million, and the Unfunded Liabilities Uniformed Firefighters of -£0.130 million, as shown in the table above.

The Comprehensive Income and Expenditure Account 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 £33.701 million, which was impacted by:

- The pension increase rate, which is derived from CPI inflation and has led to a 0.25% increase in this assumption. This has increased the employer's obligations and led to a loss of £54.280 million.
- The salary increase rate has risen by 0.25% which has increased the employer's obligations and led to a loss of £2.020 million.
- The discount rate, which is derived from the corporate bond yield has risen over the period, leading to a 0.40% increase in this assumption, which has reduced the employer's obligation and led to a gain of £90.000 million.

The change in demographic assumptions resulted in a gain of £23.334 million, due to the latest available longevity improvements information available at the accounting date (i.e. moving to the CMI 2025 model). The other demographic assumptions have also been updated to incorporate those used for the 2025 triennial funding valuation, which reduced the employer's obligation and led to a small gain.

The movement in the Other Experience of £166.504 million, is reflected and explain with the tables below, showing an asset loss of £103.576 million, and a liability loss of £62.934 million.

The actuarial loss of £5.500 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 3.15% to 3.30% to ensure pensions keep pace with the rising cost of living. There was also an increase in the Salary increase rate (RPI) from 3.15% to 3.30%, an increase in the Pension increase rate from 2.80% to 3.00% and an increase in the Discount rate from 5.80% to 6.20%.

Notes to the Core Statements

The £1.970 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.

No additional allowance has been made within the accounting balance sheet as 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:

Reconciliation of present value of the scheme liabilities (-) / assets (defined benefit obligation):	Local Government Pension Scheme		Unfunded Liabilities Uniformed Fire Fighters	
	2025 - 2025	2025 - 2026	2024 - 2025	2025 - 2026
	£ million	£ million	£ million	£ million
Present value of the defined benefit obligation	-1,403.285	-1,469.589	0.000	0.000
Fair value of plan assets	1,403.285	1,469.589	0.000	0.000
	0.000	0.000	0.000	0.000
Present value of unfunded liabilities	-7.888	-7.435	-181.300	-181.400
Present value of injury liabilities	0.000	0.000	-12.800	-13.000
Net liability (-) / asset arising from defined benefit obligation	-7.888	-7.435	-194.100	-194.400

The change in the effect of the asset ceiling, means only a net liability of unfunded liabilities of -£7.435 million for the Local Government Pension Scheme, is reflected on the balance sheet.

Reconciliation of the movements in the fair value of Scheme Assets

	Local Government Pension Scheme		Uniformed Fire Fighters	
	2024 - 2025	2025 - 2026	2024 - 2025	2025 - 2026
	£ million	£ million	£ million	£ million
Opening fair value of scheme assets	1,615.605	1,403.285	0.000	0.000
Impact of prior year asset ceiling effect	432.808	743.363	0.000	0.000
Impact of unadjusted immaterial audit differences from prior year	-0.365	0.000		
Revised Opening fair Value of scheme assets	2,048.048	2,146.648	0.000	0.000
Interest income	99.029	124.340	0.000	0.000
Remeasurement gain/(loss)				
Effect of settlements	-1.987	-4.891	0.000	0.000
Remeasurement gain/loss				
Return on plan assets (excluding net interest expense)	8.917	46.610	0.000	0.000
Other experience	0.000	-103.576	0.000	0.000
Other	-0.135	0.006	-1.113	-1.970
Asset ceiling	-743.363	-738.513	0.000	0.000
Contributions from employer	41.259	42.702	8.813	11.470
Contributions in respect of unfunded benefits	0.881	0.871	0.600	0.600
Contributions from employees	13.558	14.484	1.600	1.700
Benefits paid	-62.041	-58.221	-9.300	-11.200
Unfunded benefits paid	-0.881	-0.871	-0.600	-0.600
Closing fair value of scheme assets	1,403.285	1,469.589	0.000	0.000

Notes to the Core Statements

The return on plan assets (excluding net interest expense) gain of £46.610 million has occurred due to the investment return achieved by the Pension Fund of 8.0% compared to an expected accounting return of 5.8%.

Other experience (assets) loss of £103.576 million is caused by the 31 March 2025 funding valuation. A step-change also occurs on the asset side caused by various items of actual experience. This figure can be large as three years of actual experience (compared to various estimations made in prior years) flows through the accounts.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual membership data and actual employer level cashflow data, ultimately for cash contribution setting purposes.

The accounting balance sheet position at the Accounting Date, and the projected charge to the Comprehensive Income and Expenditure Statement for 2026 - 2027, are now based on a new roll forward from the 2025 funding valuation. This differs to the positions at the previous year-end which were based on a roll forward from the 2022 funding valuation. This 'step change' can lead to sizeable asset and obligations 'remeasurement experience' items in the reconciliation of the balance sheet from the previous year-end to the Accounting Date.

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

	Local Government Pension Scheme		Uniformed Fire Fighters	
	2024 - 2025 £ million	2025 - 2026 £ million	2024 - 2025 £ million	2025 - 2026 £ million
Opening balance 1 April	-1,615.605	-1,411.173	-207.500	-194.100
Removal of prior year asset ceiling effect	2.013	0.000	0.000	0.000
Revised Opening balance 1 April	-1,613.592	-1,411.173	-207.500	-194.100
Current service cost	-38.285	-28.695	-1.600	-1.500
Interest cost	-77.891	-81.242	-9.900	-11.000
Contributions by scheme participants	-13.558	-14.484	-1.600	-1.700
Remeasurement gains and losses:				
Actuarial gains and losses arising from changes in demographic assumptions	2.828	23.334	3.200	-1.800
Actuarial gains and losses arising from changes in financial assumptions	248.645	33.701	27.900	5.500
Expected pension increase order	0.000	0.000	1.300	-1.600
Other experience	15.428	-62.934	-15.800	0.000
Past service costs	-0.242	-0.120	0.000	0.000
Benefits paid	62.041	58.221	9.300	11.200
Unfunded benefits paid	0.881	0.871	0.600	0.600
Liabilities extinguished on settlements	2.572	5.497	0.000	0.000
Closing balance at 31 March	-1,411.173	-1,477.024	-194.100	-194.400

Other experience (Obligations) resulted in a loss of £62.934 million due to the following:

- i. The actual Pensions increase order for April 2026 was 3.8%, which was higher than the assumption at the start of the accounting period. This increases pensions in payment, deferred pensions and career average revalued earnings (CARE) pots and has led to a loss of £13.400 million.
- ii. 31 March 2025 funding valuation – in the period following a funding valuation, employers may experience a 'step-change' in their accounts as the difference between the projected membership experience and actual membership experience emerges.

Notes to the Core Statements

Local Government Pension Scheme assets comprised (before asset ceiling adjustment):

	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
	2024 - 2025 £ million	2024 - 2025 £ million	2025 - 2026 £ million	2025 - 2026 £ million
Cash and Cash Equivalents				
Cash	16.517	0.000	62.661	0.000
Total Cash and Cash Equivalents	16.517	0.000	62.661	0.000
Bonds (by sector)				
Corporate	597.074	0.000	552.211	0.000
Total Bonds	597.074	0.000	552.211	0.000
Private Equity				
All	19.937	49.412	22.921	35.577
Total Private Equity	19.937	49.412	22.921	35.577
Property				
UK Property	145.918	0.000	140.234	0.000
Overseas Property	40.934	0.000	78.001	0.000
Total Property	186.852	0.000	218.235	0.000
Other Investment Funds				
Equities	999.891	0.000	1,046.329	0.000
Infrastructure	0.000	208.637	0.000	175.645
Other	0.000	68.328	0.000	94.524
Total Other Investment Funds	999.891	276.965	1,046.329	270.169
Total Assets	1,820.271	326.377	1,902.357	305.746

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 2025.

The significant assumptions used by the actuary are outlined in the table overleaf:

The principal assumptions used by the actuary have been:	Local Government Pension Scheme		Uniformed Fire Fighters	
	2024 - 2025	2025 - 2026	2024 - 2025	2025 - 2026
Mortality assumptions:				
Longevity at retirement for current pensioners:				
Men	21.6	22.2	25.6	26.1
Women	24.2	24.7	28.5	28.7
Longevity at retirement for future pensioners:				
Men	22.1	22.8	27.7	28.1
Women	25.7	26.0	30.5	30.8
Rate of inflation	2.8%	3.0%	3.2%	3.3%
Rate of increase in pensions	2.8%	3.0%	2.8%	3.0%
Rate of increase in salaries	3.8%	4.0%	3.2%	3.3%
Rate for discounting scheme liabilities	5.8%	6.2%	5.8%	6.2%

Notes to the Core Statements

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 the rate for discounting scheme liabilities increasing from 5.8% to 6.2%.

Local Government Pension Scheme

Change in assumptions at year ended 31 March 2026:	Approximate % increase to Employer Liability	Increase in Assumption	Decrease in Assumption
	%	£ million	£ million
0.1% decrease in Real Discount Rate	2	22,627	-22,627
1 year increase in member life expectancy	4	59,081	-59,081
0.1% increase in the Salary Increase Rate	0	810	-810
0.1% increase in the Pension Increase Rate (CPI)	1	21,800	-21,800

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 2026:	Approximate % increase to Employer Liability	Increase in Assumption	Decrease in Assumption
	%	£ million	£ million
0.5% decrease in Real Discount Rate	8%	15.740	-15.740
1 year increase in member life expectancy	3%	5.840	-5.840
0.5% increase in Salary Increase Rate	<1%	0.160	-0.160
0.5% increase in Pension Increase Rate (CPI)	7%	13.360	-13.360

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 2025.

Suffolk County Council anticipates paying £21.905 million of employer contributions to the scheme for 2026 – 2027. This figure has decreased in 2026 - 2027 due to a change in employer contribution rates. The rate for 2026 - 2027 is 10% whereas it was 19.4% in 2025 - 2026. It will rise to 16.4% in 2027 - 2028.

34. Contingent Liabilities

At 31 March 2026, 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

Notes to the Core Statements

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 2025) 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 2026, the Council had no contingent assets.

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:

- long-term loans from the Public Works Loan Board and commercial lenders,
- Community Municipal Bonds held by local investors,
- 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)

Notes to the Core Statements

Financial assets held at amortised cost, although shown at their gross values in the tables following, are shown on the Balance Sheet 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 outlined in the table overleaf:

	Long Term Assets & Liabilities		Current Assets & Liabilities	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£ million	£ million	£ million	£ million
Investments				
Assets at amortised cost				
Loans and Receivables			0.006	0.006
Assets at Fair Value through profit and loss				
Loans and Receivables			0.001	0.001
Equity Investment				
Investments in Pooled Funds			43.495	56.310
Total Investments	0.000	0.000	43.502	56.317
Debtors				
Assets at amortised cost				
Loans and Receivables	0.018	0.011		
Trade Receivables and similar instruments	15.851	26.037	76.271	79.852
Assets at Fair Value through profit and loss				
Loans and Receivables	0.142	0.142		
Total included in Debtors *	16.011	26.190	76.271	79.852
Assets at amortised cost				
Cash and Cash Equivalents	-		6.340	5.321
Total Cash and Cash Equivalents	0.000	0.000	6.340	5.321
Total Financial Assets	16.011	26.190	126.113	141.490
Borrowings				
Loans at amortised cost	449.501	521.893	215.600	233.971
Total Borrowings**	449.501	521.893	215.600	233.971
Other Liabilities				
Liabilities at Amortised Cost:				
PFI Liabilities	33.134	31.081	2.013	2.166
Lease Liabilities	3.891	3.455	0.904	1.093
Other Long Term Liabilities	65.705	78.196		
Total Liabilities	102.730	112.732	2.917	3.259
Creditors				
Liabilities at Amortised Cost				
Trade Payables and similar instruments			87.945	95.124
Total included in Creditors *	0.000	0.000	87.945	95.124
Total Financial Liabilities	552.231	634.625	306.462	332.354

* The Council has adjusted for grants, council tax, business rates, HM Revenue and Customs balances and the bad debt provision. The debtor figure on the Balance Sheet has been reduced by £68.079 million (£55.899 million 2024 - 2025) and the creditors figure on the Balance Sheet has been reduced by £64.634 million (£69.265 million 2024 - 2025) in 2025 - 2026.

** The total short-term borrowing includes £65.189 million (2024 - 2025: £46.065 million) representing accrued interest and principal repayments due within 12 months on long-term borrowing

Notes to the Core Statements

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.

31 March 2025			31 March 2026		
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
33.837	-27.497	6.340	26.629	-21.308	5.321
-27.497	27.497	0.000	-21.308	21.308	0.000
		Bank accounts in credit			
		Bank overdrafts			
6.340	0.000	6.340	5.321	0.000	5.321
		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:

	2024 - 2025			2025 - 2026		
	Financial Liabilities	Financial Assets		Financial Liabilities	Financial Assets	
	Liabilities measured at amortised cost £ million	Loans and receivables £ million	Total £ million	Liabilities measured at amortised cost £ million	Loans and receivables £ million	Total £ million
Interest expense	-28.692		-28.692	32.315		32.315
Losses on derecognition	0.000	-0.823	-0.823	0.000	-1.134	-1.134
Impairment losses (-) /gain		-1.676	-1.676		-0.350	-0.350
Total expense in Surplus or (Deficit) on the Provision of Services	-28.692	-2.499	-31.191	32.315	-1.484	30.831
Interest and dividend income		3.495	3.495		4.401	4.401
Gains on derecognition	0.001	0.003	0.004	0.004	0.081	0.085
Fair Value gains / losses (-)		0.083	0.083		0.000	0.000
Total income in Surplus or (Deficit) on the Provision of Services	0.001	3.581	3.582	0.004	4.482	4.486
Net gain/loss for the year	-28.691	1.082	-27.609	32.319	2.998	35.317

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 2026, 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.

Notes to the Core Statements

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

Balance Sheet 31 March 2025 £ million	Fair Value 31 March 2025 £ million		Fair Value Level	Balance Sheet 31 March 2026 £ million	Fair Value 31 March 2026 £ million
		<i>Financial liabilities held at amortised cost:</i>			
309,911	292,277	Long-term loans from PWLB	2	369,756	352,235
139,590	137,055	Long Term Bank and LOBO Loans	2	152,137	148,149
33,134	37,628	Long-term PFI liabilities	3	31,081	34,561
3,891	3,891	Long-term Lease liabilities		3,455	3,455
		<i>Financial liabilities for which fair value is not disclosed*:</i>			
		Trade Payables and Other Long Term Liabilities		410,550	
<u>372,167</u>		TOTAL FINANCIAL LIABILITIES		<u>966,979</u>	
		<i>Held as:</i>			
552,231		Long Term Financial Liabilities		634,625	
<u>306,462</u>		Current Financial Liabilities		<u>332,354</u>	
858,693		TOTAL FINANCIAL LIABILITIES		966,979	
		<i>Financial assets held at fair value:</i>			
43,495	43,495	Investments in Pooled Funds	1	56,310	56,310
		<i>Financial assets for which fair value is not disclosed*:</i>			
0,007		Investments - Loans and Receivables		0,007	
92,282		Debtors		106,042	
6,340		Bank Balances		5,321	
<u>142,124</u>		TOTAL FINANCIAL ASSETS		<u>167,680</u>	
		<i>Held as:</i>			
16,011		Long-term Financial Assets		26,190	
<u>126,113</u>		Current Financial Assets		<u>141,490</u>	
142,124		TOTAL FINANCIAL ASSETS		167,680	

* 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 Ministry for Housing, Communities and Local Government 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.

Notes to the Core Statements

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.

Credit Risk

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

	Amount at 31 March 2026 £ million	Total by Debt Category £ million	Estimated Maximum exposure to default and uncollectability at 31 March 2026 £ million	Net Debtor £ million	Estimated maximum exposure at 31 March 2025 £ million
Deposits with Banks and Financial institutions	61.631	61.631	0.000	61.631	0.000
Loans and receivables at amortised cost	0.160	0.160	0.000	0.160	0.000
<u>Customer Debt</u>					
Secured Debt: Care Supplies	23.471				
Secured Debt: Other Long-Term Debt	2.566				
Non aged debt	17.237				
Debts less than 90 days old	17.405				
Debts >90 days but <365 days old	17.320				
Debts outstanding for 365 days and over	33.852				
Total for Customer Debt		111.851	5.962	105.889	5.612
Total		173.642	5.962	167.680	5.612

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 £10m applies. No more than £15m 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 £85.814 million classified as receivable trade / general debtors there is £26.037 million (£20.560 million, 2024 - 2025) outstanding greater than 365 days. In addition to this there are two types of Secured Debt; £23.471 million of Care Supplies which have been secured against the assets of customers, and £2.566 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 social 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.

Notes to the Core Statements

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 made small external loans where this will help to fulfil those service objectives. These loans are held on the balance sheet at amortised cost and the Council allows for credit risk by calculating an expected credit loss against them.

	12-month Expected Credit Losses	Lifetime Credit Losses Credit Risk has increased significantly	Simplified approach for receivables	Total loss allowances
Allowance at 31 March 2025	0.000	0.000	5.612	5.612
Change in Risk			0.350	0.350
Loans Repaid	0.000			0.000
Allowance at 31 March 2026	0.000	0.000	5.962	5.962

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 2025 £ million	31 March 2026 £ million
Less than one year	215.600	233.971
Between one and two years	93.506	115.096
Between two and five years	184.028	193.216
More than five years	171.967	213.581
	665.101	755.864

The Council has £90 million (2024 - 2025: £90 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 therefore uncertain and for they are included in the table based on the next option dates falling after 31 March 2026.

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

Notes to the Core Statements

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.

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 by 31 March 2027 would result in a £0.220 million (2024 - 2025: £0.220 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 Registration Number	Date Incorporated
Suffolk Group Holdings Limited	09570600	01 May 2015
A 50% interest in: Edmundham Developments LLP	OC442315	17 May 2022

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 was 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 2021-22. At the last balance sheet date, 31 March 2025, the Council held the investment at nil value. Following the cessation of the contract the Council had no ongoing liability in relation to Suffolk Norse

Notes to the Core Statements

and the 2 ordinary shares were transferred to Norse Commercial Services Limited in June 2025 for nil consideration.

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.

Please refer to the prepared Group Accounts that begin on page 96. 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.

2024 - 2025		2025 - 2026	
£ million		£ million	
0.359	Staff recruitment	0.290	
0.462	Other advertising	1.433	
<u>0.821</u>		<u>1.723</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 were in financial difficulty, the prospects are therefore 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.

On 12 February 2026, the Council approved its Net Expenditure Budget for 2026 – 2027 of £849.984 million. The plans within this Budget for £46.521 million of savings and mitigations were able to cover almost all the gap between new pressures and the smaller increase in funding, with just a £0.879 million transfer from corporate reserves being required to deliver a balanced position. Whereas this transfer can readily be funded from the £47.448 million available Unallocated Reserves, if these reserves are not to be exhausted, action will need to be taken over the medium-term to bridge the budget gaps identified in the 2026 – 2029 Medium-Term Financial Plan.

The budget gap rises from £20.796 million in 2027 – 2028 to £24.535 million in 2028 – 2029 and £24.763 million by 2029 – 2030. Whereas Unallocated Reserves would be sufficient to cover the gap in 2027 – 2028 if no actions were taken to bridge the gap, the remaining balances would be insufficient to continue to cover the budget gaps from 2028 – 2029. Although the Council has a strong track record of delivering significant savings,

Notes to the Core Statements

and has closed substantial budget gaps in the past, a combination of the ever-tightening financial position, with ever-increasing demand, means closing these gaps will be challenging.

It should be noted that, whereas Unallocated Reserves were £47.448 million as at 31 March 2026, these form part of an overall balance of £202.568 million of Usable Reserves held at that date. Although some of these reserves are either restricted, or earmarked to fund expenditure which is committed, some would potentially be available to augment Unallocated Reserves if required. This would help provide additional headroom if necessary.

Although the negative balance on the Dedicated Schools Grant (DSG) Reserve has continued to rise during 2025 – 2026, reaching £163.840 million by 31 March 2026, the existence of a statutory override (set to continue to 31 March 2028) ensures that this negative balance does not need to be recognised within the Council's Usable Reserves. However, with deficits set to continue and without Government intervention, the increasing negative balance on the DSG Reserve would have been expected to rise to a level in 2027 -2028 where it caused the Council's gross debt to routinely exceed its Capital Financing Requirement (CFR), something which the Prudential Code does not allow, and which would effectively lead to the Council becoming insolvent, despite the statutory override being in place. However, Government recognised that DSG deficits are a national issue and agreed (as part of the Final Local Government Finance Settlement for 2026 – 2027 published in February 2026) to fund 90% of DSG deficits in the autumn of 2026 – 2027, subject to its approval of the Council's Local SEND Reform Plan. This would reduce the negative balance on the DSG Reserve to £16.384 million, which in turn would, first, allow for a substantial reduction in the Council's debt and, second, remove the likelihood of the Council's gross debt exceeding its CFR in 2027 – 2028. The Government recognises that further support may be required to cover DSG deficits accumulated from 1 April 2026 up until the point that the Government assumes responsibility for SEND funding from 1 April 2028. This further support would potentially be needed to avoid the risk of the Council's DSG deficits not causing its gross debt to exceed its CFR by 2028 – 2029.

In conclusion, the Council has adequate plans and sufficient financial resilience to have reasonable confidence that it will remain a going concern through 2026 – 2027. Beyond this point, further action will need to be taken, both by the Council and Government, to ensure that the Council's finances remain resilient over the longer term.

Group Accounts – Introduction

Group Accounts

Introduction to the Group Accounts

The 2025 - 2026 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 Nottinghamshire 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 others; Vertas Nottinghamshire with Nottinghamshire County Council and 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 £0.527 million from its initial setup to 31 March 2026, 50% of which is attributable to the Council.

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

Group Accounts – Introduction

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 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 Note 1.

Group Accounts – Comprehensive Income and Expenditure Account

2024 - 2025			2025 - 2026			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£ million	£ million	£ million	Notes	£ million	£ million	£ million
500.905	-209.413	291.492		526.044	-217.877	308.167
589.937	-379.273	210.664	Adult Social Care	662.962	-412.904	250.058
78.539	-63.980	14.559	Children & Young People	70.267	-62.059	8.208
30.626	-4.515	26.111	Public Health & Communities	29.002	-4.774	24.228
132.678	-74.141	58.537	Fire & Rescue Service and Public Safety	151.865	-94.776	57.089
51.538	-13.610	37.928	Growth, Highways & Infrastructure	52.321	-14.111	38.210
7.134	-0.165	6.969	Corporate Services	6.976	-0.136	6.840
-1.396	0.000	-1.396	Central Resources and Capital Financing	-1.792	0.000	-1.792
198.385	-168.325	30.060	Pension IAS 19 Costs	205.631	-176.245	29.386
0.066	0.000	0.066	Other Services	0.075	0.000	0.075
			Share of operating results of Joint Venture			
1,588.412	-913.422	674.990	Net cost of services/Total Continuing Operations	1,703.351	-982.882	720.469
19.916	0.314	20.230	Other Operating Expenditure	G1 32.500	0.134	32.634
39.800	-3.216	36.584	Financing and Investment Income and Expenditure	G2 43.970	-3.351	40.619
0.000	-701.238	-701.238	Taxation and Non-Specific Grant Income	G3 0.000	-752.062	-752.062
1,648.128	-1,617.562	30.566	Surplus (-)/Deficit on Provision of Services	1,779.821	-1,738.161	41.660
		-0.413	Tax expenses of Subsidiaries			0.056
		30.153	Group Surplus (-) / Deficit			41.716
		-23.930	Surplus on revaluation & restatements of Property Plant and Equipment assets			-34.577
		-3.756	Remeasurement of the net defined benefit liability			14.794
		-27.686	Other Comprehensive Income and Expenditure			-19.783
		2.467	Total Comprehensive Income and Expenditure			21.933
			Comprehensive Income and Expenditure attributable to			
		0.130	Non-Controlling Interests *			-0.141

*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 2024	179.942	5.268	185.210	482.712	0.439	483.151	668.360
<u>Movement in Reserves during 2024 - 2025</u>							
Group Surplus or Deficit (-)	0.058	-30.211	-30.153	0.000	0.000	0.000	-30.153
Other comprehensive income and expenditure	0.000	0.000	0.000	27.686	0.000	27.686	27.686
Total comprehensive income and expenditure	0.058	-30.211	-30.153	27.686	0.000	27.686	-2.467
Adjustments between Group Accounts and Council Accounts*	-30.692	30.626	-0.066	0.000	0.000	0.000	-0.066
Adjustments between accounting basis and funding basis under regulations	52.679	0.000	52.679	-52.679	0.000	-52.679	0.000
Increase / Decrease (-) in year	22.045	0.415	22.460	-24.993	0.000	-24.993	-2.532
Transfers to/from (-) Earmarked Reserves	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Balance at 31 March 2025	201.987	5.683	207.670	457.719	0.439	458.158	665.828
Adjustment for Suffolk Group Final Accounts	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Group Surplus or Deficit (-)	-11.806	-29.910	-41.716	0.000	0.000	0.000	-41.716
Other comprehensive income and expenditure	0.000	0.000	0.000	19.783	0.000	19.783	19.783
Total comprehensive income and expenditure	-11.806	-29.910	-41.716	19.783	0.000	19.783	-21.933
Adjustments between Group Accounts and Council Accounts*	-30.981	30.906	-0.075	0.000	0.000	0.000	-0.075
Net increase / decrease (-) before transfers	-42.788	0.996	-41.792	19.783	0.000	19.783	-22.009
Adjustments between accounting basis and funding basis under regulations	43.102	0.000	43.102	-43.102	0.000	-43.102	0.000
Increase / Decrease (-) in year	0.314	0.996	1.310	-23.319	0.000	-23.319	-22.009
Transfers to/from (-) Earmarked Reserves	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Reserves in the Movements in Reserves statement	202.301	6.679	208.980	434.400	0.439	434.839	643.819
Minority Interest's share of reserves of subsidiaries	0.000	0.000	0.000	0.000	0.869	0.869	0.869
Balance at 31 March 2026	202.301	6.679	208.980	434.400	1.308	435.708	644.688

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

Group Accounts – Balance Sheet

2024 - 2025		2025 - 2026	
<u>£ million</u>		<u>Notes</u>	<u>£ million</u>
1,725.086	Property, Plant and Equipment	G4	1,764.825
7.471	Intangible Assets		6.702
0.895	Heritage Assets		1.044
0.000	Long-term Investments	G5	0.000
16.94	Long-term Debtors	G6	27.176
0.000	Asset related to defined benefit pension scheme		0.000
1,750.392	Total Non Current Assets		1,799.747
43.502	Short Term Investments		56.317
3.960	Assets held for sale		6.432
1.060	Inventories		1.430
149.674	Short Term Debtors	G7	172.644
14.154	Cash and Cash Equivalents	G8	15.578
212.350	Current Assets		252.401
-215.600	Short Term Borrowing		-233.971
-167.969	Short Term Creditors	G9	-179.344
-16.948	Short Term Grants Receipts in Advance		-16.794
-2.573	Short Term Lease Liability		-1.093
-2.013	PFI Liability		-2.167
-4.755	Donated Asset Account		-4.755
-7.820	Provisions		-6.355
-417.678	Current Liabilities		-444.479
-4.165	Provisions		-4.311
-451.323	Long Term Borrowing		-523.696
-65.705	Other Long Term Liabilities	G10	-78.599
-10.029	Long Term Lease Liability		-10.381
-33.134	PFI Liability		-31.081
-66.575	Donated Asset Account		-61.819
-201.988	Liability related to defined benefit pension scheme		-201.835
-45.399	Capital Grants Receipts in Advance		-50.994
-0.190	Share of Net Liabilities of Joint Ventures		-0.265
-878.508	Long Term Liabilities		-962.981
666.556	Net Assets		644.688
207.670	Usable Reserves		208.980
458.886	Unusable Reserves		435.708
666.556	Total Reserves		644.688

Group Accounts – Cash Flow Statement

2024 - 2025			2025 - 2026
<u>£ million</u>		<u>Notes</u>	<u>£ million</u>
30.153	Net surplus (-) or deficit on the provision of services		41.716
-24.840	Adjust net surplus or deficit on the provision of services for non cash movements	G11	-21.856
62.492	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	G11	76.965
<u>67.805</u>	Net cash flows from Operating Activities		<u>96.825</u>
-10.256	Investing Activities	G12	-15.549
-54.211	Financing Activities	G13	-82.700
<u>3.338</u>	Net increase (-) or decrease in cash and cash equivalents		<u>-1.424</u>
9.992	Cash and cash equivalents at the beginning of the reporting period		14.154
7.500	Adjustment for Group Assets reclassified as Cash and cash equivalents at the beginning of the reporting period		
<u>14.154</u>	Cash and cash equivalents at the end of the reporting period		<u>15.578</u>

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

2024 - 2025 £ million		2025 - 2026 £ million
0.850	Payments to the Environment Agency	0.895
0.499	Payments to the Eastern Inshore Fisheries and Conservation Authority	0.510
0.238	Gains/losses on trading operations	-0.055
18.643	Gains/losses on the disposal of non current assets	31.284
20.230	Total	32.634

G2. Financing and Investment Income and Expenditure

2024 - 2025 £ million		2025 - 2026 £ million
29.629	Interest payable and similar charges	32.983
10.255	Net Interest on the net defined benefit liability	10.987
-3.217	Interest receivable and similar income	-3.351
0.000	Other investment income - dividends receivable	0.000
-0.083	Impairment Gains (-)/ Losses	0.000
36.584	Total	40.619

G3. Taxation and Non-Specific Grant Income

2024 - 2025 £ million		2025 - 2026 £ million
-420.935	Council Tax Income	-453.507
-146.986	Non domestic rates	-151.930
-62.122	Non-ringfenced government grants	-65.061
-9.915	Donated Assets	-5.167
-61.281	Capital grant and contributions	-76.397
-701.238	Total	-752.062

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
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	24.972	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
2025 - 2026								
Suffolk County Council								
Cost or Valuation at 31 March 2026	777.238	53.714	29.565	22.811	14.127	897.456		
Accumulated Depreciation at 31 March 2026	1.036	33.382	0.204	2.648	0.000	37.269		
Net Book Value at 31 March 2026	776.202	20.332	29.361	20.163	14.127	860.187	892.793	1,752.980
Suffolk Group Holdings								
Cost or Valuation at 31 March 2026	3.786	7.964		10.849		22.599		
Accumulated Depreciation at 31 March 2026	0.692	6.021		4.041		10.754		
Net Book Value at 31 March 2026	3.094	1.943	0.000	6.808	0.000	11.845	0.000	11.845
Group								
Cost or Valuation at 31 March 2026	781.024	61.678	29.565	33.660	14.127	920.054		
Accumulated Depreciation at 31 March 2026	1.728	39.403	0.204	6.689	0.000	48.024		
Net Book Value at 31 March 2026	779.296	22.275	29.361	26.971	14.127	872.030	892.793	1,764.825

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 2025 £ million			31 March 2026 £ 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 2025		31 March 2026	
£ million		£ million	
16.011	Long-term Debtors per Suffolk County Council	26.190	
0.000	Less Loan between Suffolk County Council and subsidiaries	0.000	
0.929	Add Group Long-term Debtors	0.986	
16.940	Total	27.176	

G7. Short-Term Debtors

31 March 2025		31 March 2026	
£ million		£ million	
21.886	Central government bodies	23.485	
12.215	Other local authorities	17.040	
5.942	NHS bodies	6.261	
75.740	Other entities and individuals	82.040	
13.239	Council Tax receivable from ratepayers	15.730	
3.148	Business Rates receivable from ratepayers	3.376	
132.170	Total	147.932	
26.091	Group companies	33.126	
-8.587	Less intra-Group debtors	-8.414	
149.674	Group Total	172.644	

G8. Cash and Cash Equivalents

31 March 2025		31 March 2026	
£ million		£ million	
6.340	Cash held by the Authority	5.321	
6.340	Total	5.321	
7.814	Group Cash and Bank Balances	10.257	
14.154	Total Group Cash Total	15.578	

Group Accounts

G9. Short-Term Creditors

31 March 2025		31 March 2026
Restated		
£ million		£ million
-16.962	Central government bodies	-18.804
-18.311	Other local authorities	-15.878
-11.064	NHS bodies	-6.932
-79.670	Other entities and individuals	-82.712
-11.310	Council Tax payable to ratepayers	-16.665
-2.945	Business Rates payable to ratepayers	-1.973
-140.262	Total	-142.964
-36.294	Suffolk Group	-44.793
8.587	Less intra-Group creditors	8.413
-167.969	Group Total	-179.344

G10. Other Long-Term Liabilities

31 March 2025		31 March 2026
£ million		£ million
-65.705	Suffolk County Council Long Term Liabilities	-78.196
0.000	Suffolk Group Long Term Liabilities	-0.403
-65.705	Total	-78.599

Group Accounts

G11. Operating Activities

The cashflows for operating activities include the following items:

2024 - 2025 £ million		2025 - 2026 £ million
-60.535	Depreciation	-61.042
-10.962	Impairment and downward revaluations	2.276
-1.676	Increase/decrease (-) in impairment for bad debts	-0.350
75.548	Increase (-) / decrease in creditors	27.130
-14.189	Increase/decrease (-) in debtors	22.203
0.051	Increase/decrease (-) in inventories	0.371
1.756	Movement in pension liabilities	14.947
-22.828	Carrying amount of non current assets and non current assets held for sale, sold or de-recognised	-32.281
7.995	Other non cash items charged to the net surplus or deficit on the provision of services	4.890
-24.840	Total	-21.856
1.802	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1.057
60.690	Any other items for which the cash effects are investing or financing cashflows	75.908
62.492	Total	76.965

G12. Investing Activities

2024 - 2025 £ million		2025 - 2026 £ million
86.760	Purchase of property, plant and equipment and intangible assets	91.742
963.257	Purchase of short-term and long-term investments	991.251
-1.802	Proceeds from the sale of property, plant and equipment	-1.057
-962.010	Proceeds from short-term and long-term activities	-978.471
-96.461	Other receipts from investing activities	-119.014
-10.256	Net cash flows from investing activities	-15.549

Group Accounts

G13. Financing Activities

2024 - 2025		2025 - 2026
£ million		£ million
-272.500	Cash receipts of short and long term borrowings	-306.000
0.000	Other cash receipts from financing activities	0.000
7.121	Cash payments for the reduction of the outstanding liabilities relating to PFI contracts	6.878
209.777	Repayments of short-term and long-term borrowing	216.582
1.391	Other payments for financing activities	-0.160
<u>-54.211</u>	Net cash flows from financing activities	<u>-82.700</u>

Pension Fund Accounts

Pension Fund Accounts

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Pension Fund Accounts

Fund Account

2024 - 2025 £ million	Fund Account	2025 - 2026 £ million
	Dealings with members, employers and others directly involved in the scheme	Notes
	Contributions and benefits	
	Contributions receivable:	
	From employers	
108.520	Normal	10 113.879
0.039	Additional	10 0.020
2.766	Other	10 2.617
	From members	
33.295	Normal	10 35.565
	Transfers In	
11.933	Individual transfers in from other schemes	12.420
-	Group transfers in from other schemes	6.038
	Benefits payable:	
-116.134	Pensions	10 -120.264
-23.474	Commutations of pensions and lump sum retirement benefits	10 -24.168
-2.711	Lump sum death benefits	10 -2.090
	Payments to and on account of leavers:	
-0.549	Refunds of Contributions	-0.722
-2.399	Exit Credit	10 -1.718
-13.871	Individual transfers out to other schemes	-8.306
-2.585	Net additions (withdrawals) from dealings with members	13.271
-15.618	Management Expenses	11 -14.014
-18.203	Net additions (withdrawals) including management expenses	-0.743
	Returns on investments	
	Investment income	
12.388	Income from Pooled Investment Vehicles - Property	11.581
1.365	Income from Pooled Investment Vehicles - Private Equity	1.793
108.905	Income from Other Pooled Investment Vehicles	57.628
1.191	Interest on Cash Deposits	0.741
112.352	Change in market value of investments	281.918
236.201	Net returns on investments	353.661
217.998	Net increase, or (decrease), in the fund during the year	352.918
4,252.797	Opening net assets of the scheme	4,470.795
4,470.795	Closing net assets of the scheme	4,823.713

Pension Fund Accounts

Net Asset Statement

2024 - 2025 £ million	Net Asset Statement	Notes	2025 - 2026 £ million
	Investment Assets		
	Pooled Investment Vehicles		
1,042.046	Equities	13,14	1,057.083
1,242.291	Fixed Income	13,14	1,206.210
1,038.361	Index Tracking	13,14	1,228.437
388.770	Property Unit Trust	13,14	476.758
736.716	Other Managed Funds	13,14	839.313
4,448.184	Total Pooled Investment Vehicles		4,807.801
	Other Investment Balance		
22.981	Cash [held for investment]	13	6.509
22.981	Total Other Investment Balance		6.509
	Investment Liabilities		
-8.422	Purchases awaiting settlement	13	0.000
-8.422	Total Investment Liabilities		0.000
4,462.743	Total Investments		4,814.310
	Current Assets		
13.250	Debtors	22	12.720
3.598	Cash Deposits	19d	5.467
0.042	Cash at Bank	19d	0.164
16.890	Total Current Assets		18.351
	Current Liabilities		
-8.838	Creditors	23	-8.948
-8.838	Total Current Liabilities		-8.948
8.052	Net Current Assets		9.403
4,470.795	Net Assets		4,823.713

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 372 employer organisations with active members within the Scheme as at 31 March 2026, an increase of 24 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 2025		31 March 2026
	Number of Employees in the Scheme	
8,282	County Council	8,604
15,570	Other Employers	15,703
23,852	Total	24,307
	Number of Pensioners	
11,035	County Council	11,465
10,086	Other Employers	10,716
21,121	Total	22,181
	Number of Deferred Members	
13,730	County Council	13,129
15,902	Other Employers	15,986
29,632	Total	29,115

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 2025 – 2026. Employees contributions are paid in line with the LGPS Regulations 2013.

Pension Fund Accounts

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 2026 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 had to join another asset pool.

On 1 April 2026 the Suffolk Pension Fund formally joined LGPS Central by becoming a shareholder of LGPS Central Ltd and putting in place an Inter Authority Agreement with the other partner funds within the pool.

A fiduciary management agreement with LGPS Central Ltd has been put in place which covers all the services that the company will provide to the Fund. This includes a power of attorney so that effective control of all the Suffolk Pension Fund investment assets is delegated to the pool company.

3. Significant Changes to the Fund

As part of its annual asset allocation review, the Committee at its meeting on 19 March 2025, agreed to make new investments into Illiquid debt.

1% of the Net Asset Value of the Fund was committed to both Arcmont and Golub which have been appointed to the ACCESS Pool, this equates to around £50 million for each investment.

Suffolk Pension Fund has £4.342 billion invested within the ACCESS Pool, (£4.001 billion, 31 March 2025), which represents 90% of the Fund's investment assets (90%, 31 March 2025).

4. Basis of Preparation of Pension Fund Accounts

The Statement of Accounts summarises the Fund's transactions for the 2025 - 2026 financial year and its position as at 31 March 2026.

These accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in United Kingdom 2025 - 2026', 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 2025 - 2026 (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 1 April 2027, 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.

Pension Fund Accounts

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out an interim valuation during 2025 - 2026. The Fund's assets were estimated to be £4.850 billion, with liabilities of £3.720 billion. This has been calculated based on the membership and financial assumptions set for the valuation exercise carried out as at 31 March 2025.

During the March 2025 valuation exercise, the funding level was 151%. The improved funding position resulted in many Employers paying lower contribution rates from 1 April 2026, 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 positive by £7.000 million and forecast to be cashflow negative at £28.000 million for 2026 – 2027 and £10.000 million for 2027 - 2028, meaning that the benefits amount paid out, exceed contributions received from the employers and members of the scheme and management expenses which are paid out in cash. 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 2025 - 2026 financial year or within the 2026 - 2027 financial year to date.

The Pension Fund has an allocation of 42.5% to equities, 26% 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.

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.

Pension Fund Accounts

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 2026.

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 2026.

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.

Pension Fund Accounts

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 2026.

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 2026.

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 2026 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 2025 – 2026 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 2026 - 2027 code.

- FRS102 - Amendments to Heritage Assets
- IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments
- IFRS 9 and IFRS 7 - Contracts referencing nature dependent electricity

Pension Fund Accounts

- Annual improvements to IFRS accounting standards

The code requires implementation of the above disclosures from 1 April 2026. These changes are not considered to have a material effect on the Pension Fund accounts of 2025 - 2026.

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:

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 2026 is £476.758 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 2026 are £74.946 million with Pantheon and £2.766 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 2026 are £22.655 million, £12.037 million, £70.040 million and £278.932 million respectively.

Pension Fund Accounts

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 £13.736 million. It also includes Multi Asset Credit Fund's held with Partners Group valued at £102.608 million, £28.576 million with Golub Capital and £3.902 million with Arcmont Asset Management as at 31 March 2026.

Timber

The Timber investments are in limited liability partnerships investing 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 are 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 investments at 31 March 2026 is £0.030 million with Brookfield, £23.688 million with JP Morgan and £30.762 million with Stafford Capital Partners.

10. Contributions Received and Benefits Paid during the Year

2024 - 2025					2025 - 2026		
Employers' Contributions	Employees' Contributions	Benefits Paid		Employers' Contributions	Employees' Contributions	Benefits Paid	
£ million	£ million	£ million		£ million	£ million	£ million	
39.565	13.200	-63.992	Suffolk County Council	41.473	14.131	-66.483	
69.877	19.571	-69.907	Other Scheduled and Resolution Bodies	73.963	21.065	-70.511	
1.883	0.524	-8.420	Admitted Bodies	1.080	0.369	-9.528	
111.325	33.295	-142.319	Total	116.516	35.565	-146.522	

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 £113.879 million shown in the Fund account, is an amount of £1.665 million which represents the secondary rate paid within the employers' percentage (£1.660 million in 2024 - 2025).

The additional employer contribution identified separately on the Fund account of £0.020 million, (£0.039 million in 2024 - 2025), 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 £1.718 million for Flagship Housing, who left the scheme, this has been made under Regulation 64 of the Local Government Pension Scheme Regulations 2013 (as amended).

Pension Fund Accounts

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. 2025-2026 was the final 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

2024 - 2025 £ million		2025 - 2026 £ million
12.723	Investment Management Expenses	10.744
2.010	Administration Expenses	2.007
0.885	Oversight and Governance Costs	1.263
<u>15.618</u>		<u>14.014</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.

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 2025 - 2026 were £0.140 million, (£0.119 million 2024 - 2025), of this £0.024m were for 2022-23 and £0.008 were for 2023-24. The external fee is subject to change, depending on additional charges which may be made by the external auditors on high-risk areas. A grant of £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 2025 - 2026 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.

Pension Fund Accounts

2024 - 2025	Management Fees	Performance Fees	Transaction Costs	Total
	£ million	£ million	£ million	£ million
Assets				
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

2025- 2026	Management Fees	Performance Fees	Transaction Costs	Total
	£ million	£ million	£ million	£ million
Assets				
Pooled Investments				
Equities	0.411			0.411
Index Tracking	0.596			0.596
Fixed Income	0.337			0.337
Property	0.528			0.528
Private Equity	1.422			1.422
Infrastructure	7.028	-3.207		3.821
Illiquid Debt	1.976	0.782		2.758
Timberlands	0.830			0.830
Total Investment Expenses	13.128	-2.425	0.000	10.703
Custody	0.041			0.041
Total Investment Management Expenses	13.169	-2.425	0.000	10.744

Pension Fund Accounts

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

31 March 2025			31 March 2026	
Market Value £ million	Percentage of Assets %		Market Value £ million	Percentage of Assets %
Investments managed within the ACCESS Pool				
2,284.336	51.36%	Waystone	2,263.293	47.08%
1,038.361	23.34%	UBS Group	1,228.437	25.55%
285.885	6.43%	JP Morgan	302.620	6.29%
392.296	8.82%	CBRE	484.385	10.07%
-	0.00%	Stafford Capital Partners	30.927	0.64%
-	0.00%	Golub Capital	28.576	0.59%
-	0.00%	Arcmont Asset Management	3.902	0.08%
4,000.878	89.95%	Total within the ACCESS Pool	4,342.140	90.30%
Investments managed outside the ACCESS Pool				
0.037	0.00%	Brookfield Asset Management	0.030	0.00%
65.094	1.46%	Kohlberg, Kravis, Roberts	70.040	1.46%
73.700	1.66%	M&G Investments	25.773	0.54%
12.640	0.28%	Northern Trust	116.775	2.43%
140.689	3.16%	Pantheon Ventures	125.013	2.60%
151.546	3.41%	Partners Group	125.264	2.61%
3.600	0.08%	Wilshire Associates	2.766	0.06%
447.306	10.05%	Total outside the ACCESS Pool	465.661	9.70%

Waystone are the Authorised Contractual Scheme operator of the ACCESS Pool. The UBS Group, CBRE, Stafford Capital Partners, Golub Capital, Arcmont Asset Management 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 Illiquid debt mandates with M&G, Private Equity with Wilshire and Infrastructure with Partners Group are mature investments that are returning funds as the investments are realised.

Stafford Capital Partners, Golub Capital and Arcmont Asset Management are new investments in the Fund.

Pension Fund Accounts

13. Reconciliation of Movements in Investments and Derivatives

	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 Market Value 01 April 2024 £ million	Movement in Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ 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 investments 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 2025 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2026 £ million
Quoted Pooled Investment Vehicles:					
Equities	1,042.046	11.838	-29.000	32.199	1,057.083
Fixed Income	1,242.291	7.818	-90.000	46.101	1,206.210
Index Tracking	1,038.361	-	-19.000	209.076	1,228.437
Other Managed Funds	57.647	393.215	-284.882	8.655	174.635
Unquoted Pooled Investment Vehicles:					
Other Managed Funds	679.069	95.743	-83.458	-26.676	664.678
Property	388.770	98.518	-16.924	6.394	476.758
Total of Investments	4,448.184	607.132	-523.264	275.749	4,807.801
	Opening Market Value 01 April 2025 £ million	Movement in Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2026 £ million
Other Investment Balances:					
Payable for Purchases	-8.422	8.422	-	0.000	0.000
Cash Held for Investment	22.981	-16.221	-	-0.251	6.509
Net Investments	14.559	-7.799	-	-0.251	6.509

The change in market value of £275.498 million (£275.749 million and -£0.251 million) is £6.420 million different than the change in market value on the Fund Account of £281.918 million. The difference is predominantly caused by indirect management fees which are charged against the investments 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 2025			Market Value 31 March 2026	
£ million	£ million		£ million	£ million
		Pooled Investment Vehicles - Quoted		
	1,042.046	Equities		1,057.083
	1,242.291	Fixed Income		1,206.210
	1,038.361	Index Tracking		1,228.437
		<u>Other Managed Funds</u>		
16.166		Money Market Funds	124.567	
41.481		Private Equity	50.068	
<u>57.647</u>		Total Quoted Other Managed Funds	<u>174.635</u>	
		Pooled Investment Vehicles - Unquoted		
		<u>Other Managed Funds</u>		
126.353		Illiquid Debt	148.822	
434.096		Infrastructure	383.664	
102.808		Private Equity	77.712	
15.812		Timberlands	54.480	
<u>679.069</u>		Total Unquoted Other Managed Funds	<u>664.678</u>	
	736.716	Total Other Managed Funds		839.313
	388.770	Property		476.758
	<u><u>4,448.184</u></u>	Total		<u><u>4,807.801</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 investment assets as at the balance sheet date.

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

Pension Fund Accounts

Market Value 31 March 2026 £ million	Percentage of the Fund 31 March 2026	Asset Type	Manager
777.561	16.17%	Climate Aware	UBS
516.050	10.73%	Fixed Income - M&G	Waystone Management UK Ltd
511.538	10.64%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
450.876	9.38%	Low Carbon Transition Fund	UBS
299.441	6.23%	Global Equity - Newton	Waystone Management UK Ltd
278.932	5.80%	Infrastructure Investment Fund	JP Morgan
270.898	5.63%	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 2026 was £450.876 million (£367.890 million 31 March 2025).

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 2025			31 March 2026		
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					
1,042.046			1,057.083		
1,242.291			1,206.210		
1,038.361			1,228.437		
388.770			476.758		
736.716			839.313		
	22.981			6.509	
	2.658			1.494	
	3.640			5.631	
4,448.184	29.279	0.000	4,807.801	13.633	0.000
Financial Liabilities					
		-8.422			
		-2.002			
0.000	0.000	-10.424	0.000	0.000	-2.069
4,448.184	29.279	-10.424	4,807.801	13.634	-2.069

The debtor figure of £1.494 million above (£2.658 million at 31 March 2025) excludes statutory debtors of £11.226 million (£10.592 million at 31 March 2025).

The creditor figure of £2.069 million above (£2.002 million at 31 March 2025) excludes statutory creditors of £6.879 million (£6.836 million at 31 March 2025).

No financial assets were reclassified during the accounting period.

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17b. Net Gains and Losses on Financial Instruments

31 March 2025		31 March 2026	
£ million	Financial Assets	£ million	
103.944	Fair value through profit and loss	275.749	
-0.454	Amortised cost - unrealised gains	-0.251	
	Financial Liabilities		
0.000	Fair value through profit and loss	0.000	
103.490	Total	275.498	

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.

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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

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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

Values at 31 March 2025	Quoted Market	Using	With	Total
	Price	Observable	Significant	
	Level 1	Inputs	Unobservable	
	£ million	Level 2	Inputs	£ million
		£ million	Level 3	£ million
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

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Values at 31 March 2026	Quoted Market	Using	With	Total
	Price	Observable	Significant	
	Level 1	Level 2	Level 3	£ million
	£ million	£ million	£ million	£ million
Financial Assets				
Fair value through profit and loss	174.635	3,491.730	1,141.436	4,807.801
Assets at amortised cost	13.634			13.634
Total Financial Assets	188.268	3,491.730	1,141.436	4,821.435
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilities at amortised cost	-2.069	0.000		-2.069
Total Financial Liabilities	-2.069	0.000	0.000	-2.069
Net Financial Assets	186.199	3,491.730	1,141.436	4,819.366

18.d Reconciliation of Fair Value measurements within Level 3

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

Assets	Opening Market Value 01 April 2025 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2026 £ million
Property	388.770	98.518	-16.924	1.753	4.641	476.758
Illiquid Debt	126.353	52.727	-30.325	0.005	0.062	148.822
Infrastructure	434.096	5.048	-28.991	0.743	-27.232	383.664
Private Equity	102.808	0.118	-21.355	12.605	-16.464	77.712
Timberlands	15.812	37.850	-2.787	-0.154	3.759	54.480
Total of Investments	1,067.839	194.261	-100.382	14.952	-35.234	1,141.436

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18.e Sensitivity of assets values at Level 3

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

	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

	Market Value 31 March 2026 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	476.758	10.0%	524.434	429.083
Illiquid Debt	148.822	8.0%	160.728	136.916
Infrastructure	383.664	8.0%	414.357	352.971
Private Equity	77.712	21.0%	94.031	61.392
Timberlands	54.480	8.0%	58.838	50.122
Total of Investments	1,141.436		1,252.388	1,030.484

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

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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 2026 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 2026. 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 2026, £5.631 million was with Lloyds (£3.640 million at March 2025). Cash deposited with Northern Trust amounted to £131.076 million at 31 March 2026 (£39.147 million at March 2025).

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, £1,141.436 million, 24% (£1,067.839 million, 24% at March 2025).

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.

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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 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

Asset Type	Value as at 31 March 2026 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	5.631	0.056	-0.056
Cash and Cash Equivalent	131.076	1.311	-1.311
Total Assets	136.707	1.367	-1.367

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 2026 is 10% (as provided by LGPS Central). 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 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	548.911	53.227	638.138	531.684
Total overseas assets	2,418.569	220.090	2,638.659	2,198.479

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Asset Type	Value as at 31 March 2026 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	2,014.622	201.462	2,216.084	1,813.160
Overseas Index Tracking	1,027.588	102.759	1,130.347	924.829
Alternative Investments	714.811	71.481	786.292	643.330
Total overseas assets	3,757.021	375.702	4,132.723	3,381.319

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 LGPS Central has resulted in a potential market movement price risk index for each asset type. If the market price of the fund's investments increases 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 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

Asset Type	Value as at 31 March 2026 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	1,057.083	15.00	1,215.646	898.521
Fixed Income	1,206.210	6.00	1,278.582	1,133.837
Index Tracking	1,228.437	15.00	1,412.702	1,044.171
Cash	6.509	1.00	6.574	6.443
Money Markets	124.567	1.00	125.813	123.322
Property	476.758	10.00	524.434	429.083
Alternatives	714.746	15.79	827.604	601.888
Total Assets	4,814.310		5,391.355	4,237.265

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 the 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 2025. The valuation report sets out the rates of the employer's contributions for the three years starting 1 April 2026. 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 2025.
- 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 5.6% per year.
- Projected increase in future salaries of 3.3% a year.
- Projected pension increases of 2.3% a year. (CPI)

Funding Position

The actuary uses the market value of the Fund's assets as stated in the audited accounts of March 2025. The actuarial assessment of the value of the fund's assets was £4,471 million as at 31 March 2025 and the liabilities at £2,952 million.

The valuation showed that the Fund's assets covered 151% of its liabilities at the valuation date, and the surplus based on the actuarial valuation was £1,518 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 – the difference between the primary rate and the total employer contribution. This may be in respect of costs associated with accrued benefits or adjustments to achieve the Fund's stability and affordability objectives.

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 23.0% of pensionable pay for the three years starting 1 April 2026. This is offset with a whole fund secondary rate. The secondary rate is variable and is -8.2% for 2026 - 2027. The whole fund rate is 14.8% for 2026 - 2027.

The average employee contribution rate is 6.3% of pensionable pay.

The next formal valuation is as at 31 March 2028.

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

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age discrimination. This ruling does have implications for the Local Government Pension Scheme and is known as the McCloud remedy.

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.

Interim Valuation

An interim valuation was carried out as at 31 March 2026. The valuation was included on the actuary's Funding report which is based on long term financial assumptions for the Suffolk Fund and contains the following assumptions:

Increases in future pensions of 2.6% a year (2.3% 31 March 2025)

Projected investment returns of 4.8% per year (5.3% 31 March 2025)

The actuarial value of the Fund's assets was estimated to be £4.850 billion and the liabilities £3.720 billion at 31 March 2026 (£4.471 billion and 2.950 billion at 31 March 2025).

The required asset return for 100% funding is 3.4% p.a. (3.1% March 2025) and there is a 94% (greater than 95% March 2025) likelihood of the assets achieving this return.

International Accounting Standard 26 (IAS 26)

CIPFA's Code of Practice on Local Authority Accounting 2025 - 2026 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.

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The following assumptions have been used for the IAS 26 calculation:

- Pension increases of 3% a year (2.75% 31 March 2025)
- Increases in future salaries of 4% a year (3.75% 31 March 2025)
- Discount Rate of 6.2% per year (5.8% 31 March 2025)

The IAS 26 calculation shows that the present value of promised retirement benefits amount to £3.191 billion as at 31 March 2026 (£3.993 billion as at 31 March 2025). This incorporates an approximate allowance for the potential increase in liabilities arising from the impact of the McCloud judgement.

22. Current Debtors

The current debtors can be analysed as below:

31 March 2025 £ million	Debtors	31 March 2026 £ million
8.265	Employers Contributions	8.543
2.270	Employee Contributions	2.575
1.621	Investment Assets	0.673
0.626	Sundry Debtors	0.545
0.468	Asset Pooling	0.384
13.250		12.720

23. Current Creditors

The current creditors can be analysed as below:

31 March 2025 £ million	Creditors	31 March 2026 £ million
-4.004	Amounts owed to Employers	-3.474
-0.253	Investment Expenses	-0.283
-1.698	Administration and Governance Expenses	-0.234
-0.907	Lump Sum Benefits	-1.440
-1.976	Sundry creditors	-3.517
-8.838		-8.948

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.

A total of £0.267 million was paid over to the providers Legal & General, Standard Life and Clerical Medical in 2025 - 2026, (£0.182 million 2024 - 2025).

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 £41.473 million to the Fund in 2025 - 2026 (£39.565 million in 2024 - 2025). In addition, the council incurred costs of £1.555 million (£1.591 million in 2024 - 2025) 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 2026, the Fund had an average investment balance of £10.917 million (£10.632 million in 2024 - 2025) earning interest of £0.429 million (£0.544 million in 2024 - 2025) from these investments.

One member of the Pension Fund Committee and all six 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 £0.197 million in 2025 - 2026 (£0.193 million in 2024 - 2025).

These costs are charged to the Pension Fund as governance and oversight costs set out in 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 £0.124 million in 2025 - 2026 (£0.074 million in 2024 - 2025).

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 2026 the unfunded commitment (monies to be drawn in future periods) is \$6.719 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 2026 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 2026 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 £6.745 million at 31 March 2026.

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 2026 is €8.314 million.

Pension Fund Accounts

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. \$6.667 million remains outstanding at the end of the year.

During 2022 - 2023 a contractual commitment of £75 million was made to the Multi Asset Credit Fund VII with Partners Group. £2.885 million remains outstanding at 31 March 2026.

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 2026 the unfunded commitment is \$27.237 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. At 31 March 2026 the unfunded commitments are \$9.853 million and \$6.873 million.

During 2025 - 2026 a contractual commitment of \$68 million was made to the Senior Loan Fund RAIF SCSp (Series A) with Golub Capital. At 31 March 2026 the unfunded commitment was €37.117 million.

During 2025 - 2026 a contractual commitment of £40 million was made to the Direct Lending Evergreen (Senior) Fund with Arcmont. At 31 March 2026 the unfunded commitment was £36.098 million.

A summary of the commitments converted into sterling is as overleaf:

Asset Class	2025 - 2026		
	Commitment £ million	Drawn £ million	Outstanding £ million
Private Equity			
Wilshire (2003-2008)	35.660	33.476	2.184
Pantheon (2003-2010)	44.698	40.365	4.333
Pantheon (2015)	113.370	98.639	14.731
Total Private Equity	193.728	172.480	21.248
Infrastructure			
Partners (2012)	47.182	45.741	1.441
Partners (2016)	48.056	40.791	7.265
M&G (2016)	60.000	53.255	6.745
KKR (IV)	63.699	58.643	5.056
Total Infrastructure	218.937	198.430	20.507
Timber			
JP Morgan (II)	42.465	21.812	20.653
Stafford (X)	15.925	8.453	7.472
Stafford (Carbon)	7.583	2.371	5.212
Total Infrastructure	65.973	32.636	33.337
Illiquid Debt			
Multi Asset Credit VI	75.000	70.815	4.185
Multi Asset Credit VII	75.000	72.115	2.885
Golub (Series A)	51.566	23.420	28.146
Arcmont (Evergreen)	40.000	3.902	36.098
Total Illiquid Debt	241.566	170.252	71.314

Fire Pension Fund Statement

Fire Pension Fund Statement

<u>2024 - 2025</u> £ million	Fund Account	<u>2025 - 2026</u> £ million
	Contributions Receivable	
	From Employer	
5.103	Normal	5.026
3.161	From members	2.750
0.000	Transfers In	0.171
	Benefits Payable	
-10.584	Pensions	-11.117
-3.126	Commutations and Lump Sum retirement benefits	-3.061
-0.048	Other	0.000
<u>-5.494</u>	Net amount payable (-) for the year before top-up grant	<u>-6.231</u>
<u>9.548</u>	Total grant received	<u>3.975</u>
3.197	Top-up grant received from MHCLG	3.975
5.600	Matthews grant received from MHCLG	0.000
0.750	McCloud grant received from MHCLG	0.000
<u>-4.054</u>	Net amount payable from/to(-) sponsoring department	<u>2.256</u>

<u>2024 - 2025</u> £ million	Net Assets Statement	<u>2025 - 2026</u> £ million
<u>-4.054</u>	Net current assets and liabilities	<u>2.256</u>

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. 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 2025 - 2026. 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

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 may be eligible for compensation.

During 2024 - 2025 'The Firefighters' Pension Scheme received from the Home Office, remedy grants relating to McCloud and Matthews totalling £6.350 million. This grant money will be used to support the cost of any compensation payments. No such grant payments were received from during 2025 - 2026. The Fire Pension Statement shows the total contributions and benefits payable with regards to Firefighters including McCloud and Matthews in 2025 - 2026

Glossary

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't 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.

Glossary

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 (ICs) became legally established through the Health and Care Act 2022 and CCGs (Clinical Commissioning Groups) were closed down. ICs are partnerships of organisations that

Glossary

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.

Glossary

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.