



STATEMENT OF ACCOUNTS 2024/25

AUDITED

STATEMENT OF ACCOUNTS 2024/25

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NARRATIVE REPORT

Local authorities across the UK are experiencing a challenging financial environment. The national economic backdrop, characterised by persistently high inflation, elevated interest rates, and ongoing fiscal uncertainty has exerted significant pressure on council budgets. These macroeconomic conditions have increased the cost of delivering services while simultaneously constraining income streams and reducing financial flexibility.

Financial Performance

Notwithstanding the impact on the UK economy, the Council's overall financial performance remains sound as a result of strong budget management throughout the year. The Corporate Management Team receives a monthly budget update showing performance to-date and a forecast outturn with an analysis of issues arising. Executive receives quarterly budget monitoring reports during the year and will receive a detailed report of the outturn in July 2025.

Ipswich Borough Council delivered a net deficit of £0.732m within the General Fund across 2024/25 compared to a net budgeted surplus of £0.944m.

The Housing Revenue Account broke-even against budget, delivering a net £2.829m surplus against a budgeted deficit of £0.125m.

The Council invested a total £71.698m on capital projects, with particular focus on increased housing provision for residents and maintaining the current housing stock. £11.008m of capital budget for 2024/25 has been carried forward to be spent in the future.

Overall, the Council's net assets have increased by £5.598m on its Balance Sheet in 2024/25.

The Council borrowed £62m in short term loans during 24/25. Cash and Cash equivalents as shown on the Balance Sheet have increased by £4.132m in 2024/25. Overall the Council's cash/investments have increased £4.074m over the course of the year.

The Council has reduced its usable reserves by £16.94m during 2024/25.

General Fund

The original 2024/25 budget approved by Council in February 2024 anticipated that £0.944m would be added to balances. The actual position is that £0.732m will be taken from balances. This is a £1.676m adverse change. The 2024/25 MTFP assumed that the GF working balance would be £4.976m at 31 March 2025. The GF working balance has increased by £0.560m in the year to 31 March 2025 mainly due to the £2.236m favourable 2023/24 outturn variance.

	Original Budget £000's	Revised Budget £000's	Actuals £000's	Full year (Favourable) / Adverse Variance £000's
Leader - Place	1,678	2,871	2,630	(241)
Deputy Leader - Strategy and Transformation	2,154	1,531	1,508	(23)
Culture and Customers	415	152	75	(77)
Communities and Sport	6,065	5,380	5,337	(43)
Resources	5,275	5,737	6,067	330
Planning and Museums	2,701	2,926	2,921	(5)
Housing	2,220	2,015	2,291	276
Parks and Climate Change	1,539	1,531	1,516	(15)
Environment and Transport	4,650	4,139	4,044	(95)
Net Service Expenditure	26,697	26,282	26,389	107
Summary Items	(27,641)	(27,226)	(25,657)	1,569
Net Expenditure	(944)	(944)	732	1,676

The year-end position is summarised below:

Leader - Place: Within Property Services rental income was -£0.180m above budget mainly due to backdated rental recovery, with utility costs underspent by -£0.122m due mainly due to a reduction in charges. Repairs were underspent by -£0.110m and there miscellaneous underspends on security costs of -£0.033m, cleaning supplies of -£0.012m, and Grafton House costs of -£0.010m. Elsewhere across Property Services there were increased costs for business rates of £0.023m, professional fees of £0.057m, equipment costs of £0.030m, service charges of £0.036m, premises costs of £0.030m, professional fees of £0.013m, staffing costs of £0.044m and miscellaneous costs of £0.008m. Elsewhere across the portfolio there were reductions in staffing costs of -£0.021m, miscellaneous Comms & Marketing costs of -£0.02m, with increased project costs of £0.013m and an increase of £0.016m on internal print contract recharges due to reducing print volumes.

Deputy Leader – Strategy and Transformation: There were minor net overspends totalling -£0.023m across the portfolio, including -£0.019m relating to increase in income from trading activities.

Culture and Customers: On the Entertainments side of Vibrant Town Services there were reduced costs relating to contract cleaning of -£0.013m, utilities of -£0.037m and Regent/Corn Exchange trading of -£0.011m which helped to offset increased staffing costs of £0.015m and other miscellaneous costs totalling £0.044m. Within Car Parks there was increased car park income of -£0.057m and there were reduced utility costs of -£0.036m and business rates of -£0.013m, which covered increased consultancy costs of £0.015m, residents' parking costs of £0.011m and software costs of £0.023m. Within Customer Services there were reduced staffing costs of -£0.013m and cleaning costs of -£0.005m.

Communities and Sport: Within Community Support there were increased staffing costs of £0.055m and emergency services centres costs of £0.012m, but these were mitigated by reduced costs relating to community engagement of -£0.016m, community safety of -£0.013m and other miscellaneous underspends totalling -£0.033m. Within Sport there was increased income of -£0.019m, with an increase in miscellaneous management costs of £0.036m more than offset by reductions in dryside and wetside costs of -£0.046m. Within Public Protection reduced costs relating to occupational health of -£0.032m, housing services of -£0.029m, equipment of -£0.034m and hackney carriages/private hire of -£0.047m, plus increased licensing income of -£0.020m more than covered increased staffing costs of £0.143m.

Resources: Within Finance there was an increase in miscellaneous government grants of -£0.010m, but £0.091m of reduced grants relating to housing benefit and business rate collection. There were reduced software costs of -£0.011m and miscellaneous costs of -£0.005m, but increased staffing costs of £0.056m. Within Democratic Services and Elections there were increased postage costs of £0.027m and miscellaneous costs of £0.005m. Within Legal there were increased staffing costs of £0.187m and reduced land charges costs of -£0.005m. Procurement reported a miscellaneous underspend of -£0.005m.

Planning and Museums: Within Museums there were reduced costs relating to security of -£0.010m, utilities of -£0.012m, miscellaneous costs of -£0.008m, with reduced rental income of £0.013m. Within Planning there were increased legal fees of £0.012m and miscellaneous costs of £0.008m. Within Building Control income was underachieved by £0.073m, but this was more than covered by reduced staffing costs of -£0.047m, professional fees of -£0.025m and miscellaneous costs of -£0.009m.

Housing: The temporary accommodation service has seen particularly high demand. Within Housing Advice there were increased costs relating to bed and breakfast of £0.065m, staffing of £0.177m, security of £0.015m, housing options of £0.014m and the running of East/West Villa of £0.081m (which includes £0.109m for water testing and remedial works at East Villa and additional rental income of -£0.057m at West Villa) and unachieved savings of £0.020m. There were reduced recharges from the HRA of -£0.051m, a -£0.010m increase in rental income regarding assistance to voluntary bodies and -£0.035m of miscellaneous underspends.

Parks and Climate Change: Within Parks and Cemeteries reduced rental income of £0.026m and increased professional fees of £0.022m were more than covered by reduced costs relating to maintenance of natural areas of -£0.015m, miscellaneous underspends of -£0.026m and increased costs recovered of -£0.022m.

Environment and Transport: Within Waste and Fleet there was a reduction in waste disposal charges of -£0.139m. There was an increase in miscellaneous income of -£0.015m, but increased costs relating to training of £0.010m, vehicles of £0.010m and £0.022m of miscellaneous overspends. Costs recovered were down by £0.017m.

Within the **General Fund Summary**, there were £2.963m of net pressures identified during the first half of the year; £2.321m in Q1 and £0.642m in Q2. Capital Financing costs of £0.988m to fund the delivery of the capital programme. The Corporate Savings programme underachieved by a modest £0.065m (less than 10%), but this was more than covered by overachieved Transitional Vacancies of -£0.117m. The Business Rates year end position was -£1.298m better than budgeted, due to a large reduction in the appeals provision). Investment Interest was -£0.024m better than expected and there was also an unused Additional Commitments Contingency of -£0.972m, while -£0.419m of earmarked reserves were able to be released.

In addition a total of -£0.534m was drawn down from the inflation contingency and the full -£0.500m from the Income Contingency. The Invest to Save Contingency was topped up by £0.329m, to £1.000m, the General Service Contingency was topped up by £0.054m, to £0.900m

£2.604m of budgets have been carried forward to 2025/26.

Housing Revenue Account

The table below shows the actual spending of the Council against the original and current net budget for the HRA. Overall the HRA broke-even.

	Original Budget £000's	Revised Budget £000's	Actuals £000's	Full year (Favourable) / Adverse Variance £000's
Deficit / (Surplus) in the year	125	125	(2,829)	(2,954)

The key out-turn variances are shown below:

- £0.190m of additional software costs
- £0.762m reduced costs on various repairs
- £0.101m reduction in vehicle borrowing costs
- £0.101m of additional staffing
- £0.153m reduction in sheltered/leaseholder service charges income
- £0.117m reduction in utilities costs
- £0.517m increase in rental income from tenants
- £0.150m increase in commercial rental
- £0.237m reduced bad debt provision for domestic rents
- £0.573m of reduced capital financing costs
- £0.259m reduced capital contribution for the new depot
- £0.185m additional interest on balances
- £0.173m unused corporate savings plan contingencies
- £0.182m of overachieved savings (including -£0.035m re Transitional Vacancies)
- £0.031m of miscellaneous underspends

Capital

The table below shows the Council's Capital Programme for 2024/25, the final expenditure against the programme and how this has been funded.

	Original Budget £000's	Revised Budget £000's	Actuals £000's	Variance £000's
Housing Revenue Account	61,151	70,751	46,063	(24,688)
General Fund	64,217	35,192	25,635	(9,557)
Total Capital	125,369	105,943	71,698	(34,245)

Funded By:	£000's
Capital Receipts	11,903
External funding	14,162
Borrowing	20,665
Major Repairs Reserve	9,871
Revenue Contributions to Capital	15,097
	<u>71,698</u>

Of the underspend £11.008m has been carried forward to 2025/26.

Significant Projects:

Scheme	Spend £000's	Description of Scheme
Increased Housing Provision	36,192	To provide new Council Housing
Depot Construction	12,717	Construction of new works depot
Investment in Housing Stock	9,871	To maintain the Council's housing stock
Ravenswood (GF)	3,693	Construction of market rent homes
Museum Project	2,337	Major renovation/improvement works

Balance Sheet

The table below summarises the Balance sheet at 31 March 2024 and 31 March 2025. The full Balance Sheet has references to the notes that support each of the figures.

	31 March 2024 £000's	31 March 2025 £000's	Movement £000's
Long Term Assets	942,429	992,151	49,722
Current Assets	26,445	28,351	1,906
Current Liabilities	(58,765)	(60,172)	(1,407)
Long Term Liabilities	(186,840)	(231,463)	(44,623)
Net Assets	723,269	728,867	5,598
Usable Reserves	(92,615)	(75,675)	16,940
Unusable Reserves	(630,654)	(653,192)	(22,538)
Total Reserves	(723,269)	(728,867)	(5,598)

The movement in usable reserves includes working balances in relation to the General Fund and Housing Revenue Account. To provide for contingencies, the Council also recognises the importance of not allowing these balances to fall below the prescribed minimum levels as agreed in Section 5 of the Medium Term Financial Plan. The table below shows the movement in the working balances.

	31 March 2024 £000's	31 March 2025 £000's	Movement £000's	Prescribed Minimum Balances £000's
General Fund	(6,267)	(5,534)	733	(4,500)
Housing Revenue Account	(3,229)	(6,042)	(2,813)	(2,000)

Pension Liabilities

Ipswich Borough Council participates in the Local Government Pension Scheme, which is administered locally by Suffolk County Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund calculated at a level to balance the liabilities with investment assets. This scheme is used to pay former employees their pension and other benefits when they retire. The liabilities of the Council in relation to the schemes are reported on the balance sheet in accordance with International Financial Reporting Standard 19 (IAS19). This showed a surplus at 31 March 2025 of £151.840m (£96.85m surplus at 31 March 2024).

The actuarial valuation of the fund's liabilities as at 31 March 2025 was completed in May 2024 by Hymans Robertson, who are an independent firm of actuaries. The Fund's Actuary determined the Council's contribution to the fund for 2024/25. The contribution rate equates to 23% of pay.

Treasury Management and Cashflow

	31 March 2024	31 March 2025	Movement
	£000's	£000's	£000's
Cash & Cash Equivalents	(1,180)	2,952	4,132
Short Term Investments (< 1 year)	1,236	-	(1,236)
Long Term Investments (> 1 year)	302	302	-
Total Cash/Investments	358	3,254	2,896

Overall, cash and short term and long term investments have reduced in the year due to the increased spend on the capital programme. Cash and short term investments are held in accordance with the Council's Treasury Management and Annual Investment Strategy.

	31 March 2024	31 March 2025	Movement
	£000's	£000's	£000's
Cash held by Council	272	145	(127)
Bank Current Accounts	(5,321)	(4,381)	940
Money Market Funds	3,637	6,801	3,164
Instant Access Accounts	232	387	155
Notice Accounts	56	-	(56)
Total Cash/Investments	(1,124)	2,952	4,076

Borrowing

	31 March 2024	31 March 2025	Movement
	£000's	£000's	£000's
Public Works Loan Board	(197,173)	(241,132)	(43,959)
Market Loans	(9,043)	(9,043)	-
Total Borrowing	(206,216)	(250,175)	(43,959)
Capital Financing Requirement	(314,145)	(327,269)	(13,124)
Total Under borrowed	(107,929)	(77,094)	30,835

During the year the Council raised a net £43.959m of debt.

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The Council's total gross external debt was £77.094m below the CFR at 31 March 2025 (£107.929m at 31 March 2024), and is a proxy for the amount of capital expenditure which has been financed from internal funding sources.

Group Accounts

As at 31 March 2025, the Council had nine subsidiary companies. The summarised group financial consolidated statements show how the financial position of the Council is affected by its interests in these companies.

Ipswich Buses Limited runs the bus operations in Ipswich and the surrounding area. All the allotted called up ordinary share capital is owned by the Council.

Ipswich Buses made a pre tax profit of £0.861m in 2024/25 (£0.724m pre-tax profit in 2023/24). Revenue increased by £0.503m during the year but costs increased by £0.446m.

Ipswich Borough Assets (IBA) Limited undertakes property management and property development activities and is wholly owned by Ipswich Borough Council.

Ipswich Borough Assets made a pre-tax loss of £1.413m in 2024/25 (£7.095m pre-tax loss in 2023/24) partly as a result of a net reduction in the valuation of investment properties.

IPSERV Limited was incorporated to allow the Council's income generating services to operate for profit and is wholly owned by Ipswich Borough Council.

IPSERV made a profit pre tax of £0.137m in 2024/25 (£0.108m profit pre tax in 2023/24).

Handford Homes Limited was incorporated to help provide housing in Ipswich and is wholly owned by Ipswich Borough Council.

Handford Homes made a pre-tax profit of £0.106m in 2024/25 (£0.683m pre-tax profit in 2023/24).

Stage Event Security Limited was purchased and is wholly owned by Ipserv Limited to generate a profit.

Stage Event Security made a pre-tax profit of £0.121m in 2024/25 (£0.032m pre-tax profit in 2023/24).

IPSERV Direct Services Limited was incorporated to allow the Council's income generating services to operate for profit.

IPSERV Direct Services Limited made a pre-tax profit of £0.012m in 2024/25 (£0.006m pre-tax profit in 2023/24).

Handford Lettings Limited was incorporated to help manage housing properties in Ipswich.

Handford Lettings Limited made a pre-tax profit of £0.008m in 2024/25 (£0.004m pre-tax profit in 2023/24).

Ipswich Borough Assets Developments Limited was incorporated to develop and construct property assets.

Ipswich Borough Assets Development Limited made a pre-tax loss of £0.044m in 2024/25 (£0.056m pre-tax loss in 2023/24).

IPSERV Employers Ltd was incorporate in March 2022 as a subsidiary of Ipserv Ltd to act as employer for its workforce.

IPSERV Employers Ltd made a pre-tax profit of £0.021m in 2024/25 (£0.062m pre-tax profit in 2023/24).

Provisions, Contingencies and Write Offs

The Council has two main provisions within the accounts, the Insurance provision and the Non-Domestic Rates provision. These increased by a total of £0.042m during 2024/25. Insurance Claims are met by an insurance fund (provision) operated by the Council. Insurance premiums are paid into the fund from the revenue account by services requiring insurance cover. Insurance claims less than the policy excesses, and policy excesses are then met from the Insurance Fund. This provision reduced by £0.043m during the year. The Non-Domestic Rates provision which represents funds set aside to settle outstanding appeals, increased by £0.085m during the year. Further detail is shown in Note 26.

	31 March 2024 £000's	31 March 2025 £000's	Movement £000's
Provisions within Current Liabilities	(2,410)	(2,450)	(40)
Provisions within Long Term Liabilities	(88)	(90)	(2)
	<u>(2,498)</u>	<u>(2,540)</u>	<u>(42)</u>

There were no material write offs in the year ended 31 March 2025.

Accounting Policies

The authority carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. Since 2019/20 the Council has a policy of revaluing approximately 20% of its assets on an annual basis rather than revaluing all assets every five years.

Events after the reporting date

There are no material events after the reporting date.

Financial Challenges in 2025/26 and Medium Term Outlook

The Council's Medium Term Financial Plan was approved on 19 February 2025. It sets out the Council's financial position and the estimates for the four year period from 2025/26 to 2028/29.

In the period 2025/26 to 2028/29 the Council is budgeting to add £0.697m of General Fund revenue balances in delivering a balanced budget.

Council finances are under pressure because of external factors. The increasing financial pressures over the MTFP period has meant the Council has had to make tough decisions and this may continue in future years. The council has a strong track record of robust financial management which provides a good foundation to build on in the coming years.

The Council's financial strategy is to invest in the town and the services the Council provides to local people and businesses at the same time as meeting its significant budget challenges through a range of savings programmes.

The 2025/26 budget was set against a background of continuing funding reductions and the increased risk of sudden changes in funding inherent in the retained business rates scheme. Future central government funding consists primarily of Revenue Support Grant and Retained Business Rates, which taken together are termed "Settlement Funding Assessment".

Corporate savings activity during 2024/25 has delivered total savings over the Medium Term Financial Plan of £8.3m.

In recent years the Council has ensured that there are adequate resources to ensure that the savings / investment plans can be delivered via a Corporate Service Contingency and the Transformation / Invest to Save fund.

Alongside these savings, the Council has delivered a range of achievements during 2024/25:

- Delivered a full programme of events in the town centre.
- Regent Theatre had 174 performances with 145,000 ticket sales.
- 99% of food businesses have a food hygiene rating of 3 or above.
- 100% of Licensing Act 2003 applications (new and variations) processed within 5 days.
- Towns Fund Community Facilities Grants completed.
- UKSPF 2024/25 funding has achieved:
 - Funding for three PCSOs in the Town Centre.
 - £50k grant for Suffolk New College's innovative Learning Curve (Digital Upgrade) Initiative.
 - 122 apprenticeships were created within 5 months, surpassing the original target of 75.
 - 113 young people have been supported, moving steadily towards the target of 150, delivering the promise to support people not in education, employment or training (NEET).
 - Expanded the Community Energy/Affordable Warmth project which advises Ipswich residents in private rented accommodation on energy-saving measures and available opportunities.
 - "Thrive", which is the Suffolk Skills and Employment Service programme, has assisted 39 adults and 75 young people in Ipswich.

o The "Start, Build & Grow" business start-up project has assisted 294 start-up businesses, far exceeding its initial target of 125.

- The new Ipswich Buses training programme has ensured a full route network service, as well as the introduction of Route 20 which serves Wolsey Grange, Hadleigh Road and the Interchange Retail Park.
- Signed a Digital Creative operator for the Town Hall lower floor.
- Ipswich Busking Guide Completion & Showcases held in Town.
- New Town Centre Visitor Guide Map.
- Delivered hands-on business support to 294 start-ups with 6,000 hours of tailored, practical assistance
- 22 new homes at Ravenswood now occupied; 74 in construction to be completed soon.
- Construction underway at Hawke Road to provide 26 new homes as well as a new play and recreation area.
- Construction underway at Fore Hamlet to develop 30 new flats.
- The conversion of the Bibb Way office block underway to provide 78 new homes plus 72 new flats.
- 20,190 council housing repairs completed.
- 269 council homes refurbished ready to let.
- 408 council homes fitted with A rated boilers.
- Independent living enabled by adapting 222 homes.
- 195 homes benefitted from a new roof.
- 682 Solar PVs fitted out of the 745 ongoing programme.
- 266 households have benefited from either a new kitchen, a new bathroom or both.
- 6 long term empty homes were returned to use.
- Delivery of the new carbon neutral depot on time and on budget for January 2025.
- Achieved 15,000 trees planted on Council land in the last five years.
- Currently own 73 electric vehicles, with a further 2 on order, which will equate to 37.68% of
- 85 EV charging points installed - 32 in car parks and 25 in Layard House plus 28 at Grafton House.
- Prevented and relieved homelessness for 569 households.
- Assessed 1954 applications to the housing register.
- Accommodated 157 homeless households in emergency accommodation.
- 10 bed single person temporary accommodation unit opened called North Villa.
- Whitehouse Park Play Area opened in July 2024.
- Stonelodge Park play area opened in September 2024.
- 21 new bins installed in partnership with ITFC.
- Nearly 300,000 visits to our swimming pools.
- 630 activities and camps delivered.
- 365 attendances at Summer Holiday Camp.
- 958 visits to activities delivered across Community Centres & Parks.
- 2777 Summer Holiday iCards used. 635 households were eligible for the free concession.
- Engaged with over 5000 residents over the summer holidays at Family Fun Days and Community Engagement Events.
- Celebrated 30 years of Crucial Crew, which provides safety education to school children.
- For Feel Good Suffolk there have been:
 - o 2,264 referrals received.
 - o 10,970 contacts made.
 - o 1,400 appointments held.
 - o 1,126 interventions provided.
- Priority Area Funding has provided:
 - o £5,070 on Maple Park Master Classes targeting the Romanian and Roma population.
 - o £1,585 for the Lindbergh Road Community Church to hold a Christmas event for the local residents.
 - o £750 for the Nansen Rd Baptist Church to hold their own Christmas event.
 - o £1,200 to cover the Triangle Youth Zone Hall hire for a further year.
- Agreed a Budget Delivery Plan which is underway with appropriate resources available to deliver it.

- Ipswich Borough Assets has strengthened its offer at Anglia Retail Park, with the opening of Taco Bell and Lidl stores.
- The Council's companies made a net £3.6m revenue contribution in 2024/25 to the General Fund Budget. Since Ipswich Borough Assets was formed in April 2016, the companies have made a cumulative net contribution of £21.8m.
- Successful in securing £25,500 to raise awareness on gum litter in Ipswich.
- 21 community engagement and recycling education events over the past 6 months.
- 22 service area Health & Safety Audits carried out.
- 34,000 PCNs issued.
- Business parking permit scheme agreed for Crown Car Park.
- Conversion of new on street parking bays.
- Redesign and relaunch of the Council website.
- 45 employees studying for an apprenticeship alongside their job roles.
- Held successful job fairs.
- Currently 18 apprentices across the Council.
- IPSEV achievements:
 - IPC Parking Team of the Year award finalists.
 - Maintained British Parking Association, ISO9001 and ISO14001 and British Institute of Cleaning Science accreditations.

Corporate Risk and Management

The Council's Risk Management Strategy outlines levels of responsibility for identifying and managing risk. The document is reviewed regularly by the Audit & Governance Committee.

The Corporate Risk Register is monitored by Corporate Management Team and newly identified risks are included in the register for review and monitoring. Exception reporting is forwarded to Executive through Corporate Management Team. The Register is also reviewed twice-yearly by Audit & Governance Committee.

The committee report template includes a mandatory risk section for officers to complete - identifying risk associated with the report subject, ensuring clarity for councillors and officers.

Directors, Assistant Directors and Heads of Service review their service group and service area risks as part of the business and operational planning process. This review process also identifies any areas of risk which require monitoring via the Corporate Risk Register.

Annual Governance Statement

The Council is required to conduct a review of the effectiveness of its system of internal control at least once a year and report findings to the Council. The Annual Governance Statement contains a review of the Council's governance framework and the effectiveness of the Council's internal control and risk management systems, and reports on any significant governance issues during the year.

A copy of the Annual Governance Statement for 2024/25 is available on the Council's website.

Explanation of the Statement of Accounts

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format of the Statement of Accounts is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

Presentation of Information

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.

Further Information

Further information about the accounts can be obtained from the Head of Finance at Grafton House. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website.

STATEMENT OF RESPONSIBILITIES

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In the Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

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

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement of Accounts give a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year ended on that date.

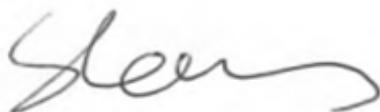


Ian Blofield

Section 151 Officer

Date: 19th February 2026

The Statement of Accounts for 2024/25 was considered and approved by Full Council at the meeting on 16th July 2025.



Cllr S Long

The worshipful, The Mayor of Ipswich

Date: 19th February 2026

These financial statements replace the unaudited financial statements approved by Full Council on 16th July 2025.

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 other 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 and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Movement in Reserves 2023/24	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue A/c Balance	Earmarked Housing Revenue A/c Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 1 April 2023	(7,289)	(15,782)	(825)	(5,626)	(33,819)	(15,661)	(7,678)	(9,656)	(96,335)	(575,869)	(672,204)
(Surplus) / deficit on provision of services	(13,779)	-	-	(7,303)	-	-	-	-	(21,082)	-	(21,082)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	(29,983)	(29,983)
Total Comprehensive Income and Expenditure	(13,779)	-	-	(7,303)	-	-	-	-	(21,082)	(29,983)	(51,065)
Adjustments between accounting basis & funding basis under regulations	14,486	-	-	15,645	-	3,917	(2,781)	(6,465)	24,802	(24,802)	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	707	-	-	8,342	-	3,917	(2,781)	(6,465)	3,720	(54,785)	(51,065)
Transfers to / from Earmarked Reserves	315	(1,140)	825	(5,945)	5,945	-	-	-	-	-	-
(Increase) / Decrease in 2023/24	1,022	(1,140)	825	2,397	5,945	3,917	(2,781)	(6,465)	3,720	(54,785)	(51,065)
Balance at 31 March 2024 carried forward	(6,267)	(16,922)	-	(3,229)	(27,874)	(11,744)	(10,459)	(16,121)	(92,615)	(630,654)	(723,269)

Movement in Reserves 2024/25	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue A/c Balance	Earmarked Housing Revenue A/c Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 1 April 2024 brought forward	(6,267)	(16,922)	-	(3,229)	(27,874)	(11,744)	(10,459)	(16,121)	(92,615)	(630,654)	(723,269)
(Surplus) /deficit on provision of services	20,760	-	-	(16,725)	-	-	-	-	4,035	-	4,035
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	(9,632)	(9,632)
Total Comprehensive Income and Expenditure	20,760	-	-	(16,725)	-	-	-	-	4,035	(9,632)	(5,597)
Adjustments between accounting basis & funding basis under regulations	(20,115)	-	-	29,900	-	6,461	(2,451)	(890)	12,905	(12,905)	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	645	-	-	13,175	-	6,461	(2,451)	(890)	16,940	(22,537)	(5,597)
Transfers to / from Earmarked Reserves	88	(88)	-	(15,989)	15,989	-	-	-	-	-	-
(Increase) / Decrease in 2024/25	733	(88)	-	(2,814)	15,989	6,461	(2,451)	(890)	16,940	(22,537)	(5,597)
Balance at 31 March 2025 carried forward	(5,534)	(17,010)	-	(6,042)	(11,885)	(5,283)	(12,910)	(17,011)	(75,675)	(653,191)	(728,866)

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.

2023/24				2024/25		
Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's		Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's
General Fund Services						
8,768	(4,454)	4,314	Leader - Place	30,949	(4,910)	26,039
3,325	(1,406)	1,919	Deputy Leader - Strategy & Transformation	3,365	(1,369)	1,996
2,909	(1,348)	1,561	Planning & Museums	6,681	(1,100)	5,581
12,989	(6,593)	6,396	Environment & Climate Change	13,494	(7,104)	6,390
5,459	(3,632)	1,827	Housing	8,283	(3,977)	4,306
12,692	(5,707)	6,985	Communities and Sport	11,508	(5,683)	5,825
40,212	(35,303)	4,909	Resources	41,747	(35,926)	5,821
14,712	(11,226)	3,486	Culture and Customers	7,531	(12,064)	(4,533)
33,664	(39,960)	(6,296)	Housing Revenue Account	36,321	(43,844)	(7,523)
134,730	(109,629)	25,101	Total Cost of Services	159,879	(115,977)	43,902
	(564)		Payments to/(from) Government Housing Capital Receipts Pool			-
	(1,300)		Loss/(Gain) on the disposal of non current assets			(764)
	(66)		Capital Receipts not from disposal of non current assets			(183)
	(1,930)		Total Other Operating Expenditure			(947)
	5,632		Interest payable and similar charges			7,641
	(2,693)		Net interest on the defined benefit liability / (asset)			(42)
	(7,212)		Interest receivable and similar income			(6,532)
	(496)		Changes in the fair value of investment properties			1,746
	(956)		Investment properties income			(848)
	(5,725)		Total Finance & Investment Income & Expenditure			1,965
	(15,483)		Council Tax Income			(16,077)
	(26,460)		Non domestic rates income			(26,580)
	17,452		Non domestic rates tariff			18,152
	442		Non domestic rates levy			(76)
	(804)		Non-ringfenced government grants			(1,253)
	(13,675)		Capital grants and contributions			(15,051)
	(38,528)		Total Taxation & Non-specific Grant Income & Expenditure			(40,885)
	(21,082)		(Surplus) / Deficit on Provision of Services			4,035
	(33,746)		(Surplus) or deficit on revaluation of non current assets			(24,415)
	3,763		Actuarial (gains) / losses on pension assets / liabilities			14,783
	(29,983)		Other Comprehensive (Income) and Expenditure			(9,632)
	(51,065)		Total Comprehensive (Income) and Expenditure			(5,597)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets (assets less liabilities) are matched by the reserves, reported in two categories. The first category are usable reserves, i.e. 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 that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000's		Note	31 March 2025 £000's
737,122	Property, Plant & Equipment	19	789,312
71,445	Heritage Assets	21	71,586
11,909	Investment Property	20	10,162
302	Long Term Investments	30	302
121,651	Long Term Receivables	30	120,789
-	Other Long Term Assets	34	-
942,429	Long Term Assets		992,151
1,236	Short Term Investments	30	-
533	Inventories		543
24,202	Short Term Receivables	22	24,328
-	Cash and Cash Equivalents	23	2,952
474	Assets Held for Sale	24	528
26,445	Current Assets		28,351
(21,017)	Short Term Borrowing	30	(32,157)
(34,158)	Short Term Payables	25	(25,565)
(1,180)	Cash and Cash Equivalents	23	-
-	Grants Receipts in Advance		-
(2,410)	Provisions	26	(2,450)
(58,765)	Current Liabilities		(60,172)
(375)	Long Term Payables	30	(378)
(88)	Provisions	26	(90)
(186,377)	Long Term Borrowing	30	(218,018)
-	Other Long Term Liabilities	34	(12,977)
(186,840)	Long Term Liabilities		(231,463)
723,269	Net Assets		728,867
(92,615)	Usable Reserves		(75,675)
(630,654)	Unusable Reserves	27	(653,192)
(723,269)	Total Reserves		(728,867)



Ian Blofield

Section 151 Officer

Date: 19th February 2026

These financial statements replace the unaudited financial statements approved by Full Council on 16th July 2025.

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash, and cash equivalents, 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, grant income and from the recipients of services. 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 useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

2023/24 £000's		2024/25 £000's
(21,082)	Net (surplus) or deficit on the provision of services	4,035
(9,205)	Depreciation	(9,903)
(6,482)	Impairment and downward valuations	(28,068)
(6,822)	(Increase) / decrease in payables	3,663
7,456	Increase / (decrease) in receivables	283
(101)	Increase / (decrease) in inventories	10
3,763	Movement in pension liability	1,806
(7,198)	Carried forward non-current assets & non-current assets held for sale, sold or de-recognised	(4,495)
1,442	Other non-cash items charged to net surplus/deficit on the provision of services	(1,788)
(17,147)	Total non cash movements	(38,492)
3,751	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
8,813	Sale of property, plant & equipment, investment property and intangible	5,441
4,557	Other items for which the cash effects are investing/financing cashflows	15,051
17,121	Adjust for investing and financing activities	20,492
(21,108)	Net cash flows from Operating Activities	(13,965)
48,249	Purchase of property, plant & equipment, investments & intangible assets	73,946
166,209	* Purchase of short-term and long-term investments	-
9,009	Other payments for investing activities	-
(8,604)	Sale of property, plant and equipment, investments, intangible assets & non-current assets held for sale	(5,441)
(173,959)	* Proceeds from short-term and long-term investments	(56)
(14,731)	Other receipts from investing activities	(15,433)
26,173	Net cash flows from investing activities	53,016
(9,450)	Cash receipts of short-term and long-term borrowing	(62,000)
808	Other receipts/payments from financing activities	-
8,549	Repayments of short-term & long-term borrowing	18,473
709	Other payments for financing activities	344
616	Net cash flows from financing activities	(43,183)
5,681	Net (increase) or decrease in cash and cash equivalents	(4,132)
(4,501)	Cash and cash equivalents at the beginning of the reporting period	1,180
1,180	Cash and cash equivalents at the end of the reporting period (Note 23)	(2,952)

Note * The 24/25 figures now exclude the gross movement on treasury management daily cash flows and only show those movements considered as investments activities under the CIPFA Code (para 3.4.2.76)

The cash flows for operating activities include the following items:

2023/24

£000's

(6,219) Interest Received

6,419 Interest Paid

2024/25

£000's

(6,532)

7,207

1. Basis of Preparation (Going Concern)

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. The 2015 Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS), taking into account any subsequent accounting guidance such as Local Authority Accounting Panel (LAAP) bulletins and any statutory requirements.

The Code confirms that the local authority accounts must be prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for twelve months from the date that the accounts are authorised for issue.

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the 'common need of most users'.
- The fact that 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 thus 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 prepared on anything other than a going concern basis. The Council's accounts are therefore produced under the Code and assume that the Council services will continue to operate for twelve months from the publication of the draft accounts.

Balances and reserves

The Council identified a £19m savings programme over the MTFP period in the September 2024 budget delivery plan report, C/24/07. Continuing uncertainty within the UK economic climate has been assessed and considered alongside the inflationary pressures identified in the MTFP agreed by Council in February 2025.

Extract from Table Nine of the Appendix 1 Medium Term Financial Plan 2025/26

£m	2024/25	2025/26
Opening budget gap (Table Two)	1.676	5.540
Transitional Vacancy Provision (Table Two)	-1.120	-1.120
Budget Pressures (Table Three)	2.298	2.975
Finance Settlement (Table Seven)	0.000	0.027
Savings Identified (Table Eight)	-2.142	-2.278
Corporate Savings Target	-0.108	-3.817
Reserves to achieve balance	0.604	1.327
Opening Working Balance	4.031	3.427
Usable Balance Carried Forward	3.427	2.100

The level of annual corporate savings required has been identified in order to achieve a General Fund working balance recommended by the Council's Section 151 Officer of at least £4m by 31 March 2027.

As reported in Note 12 of the 2024/25 financial statements, the Council was holding £17m of Earmarked Reserves as at 31 March 2025.

At the time of writing the 2025/26 MTFP the Council had £15.037m of earmarked GF revenue reserves available and set aside for specific eventualities. The level of earmarked reserves was projected forward to 31 March 2025 in the MTFP approved in February 2025. This is also included in the table below and identifies that £9.2m of earmarked reserves is projected to be available to manage budgetary pressure.

Earmarked Reserves	As at	Projected to
	31 March 2025	31 March 2026
	£m	£m
Working Balance	3.4	2.1
General Fund Insurance	0.7	0.8
Service Reserves	3.5	3.4
Repairs & Renewals	1.0	1.0
Business Rates	2.3	1.9
Earmarked Reserves Available for Use	10.9	9.2
Transport	0.3	0.3
Legacies	0.1	0.1
Revenue Grants	3.7	3.6
Other Earmarked Reserves	4.1	4.0

External borrowing

The Council held external borrowing totalling £248m at 31 March 2025. As at Quarter 1 25/26 this will decrease to £247m against an Authorised Limit of £510m, as defined in the Council's Treasury Management policy. This gives additional external borrowing capacity totalling £263m for any capital or revenue spend. The external borrowing is projected to be £218m by the end of March 2027, based on current borrowing levels.

At 31 March 2025, £92.516m of the Council's borrowing had been taken out for the purpose of financing lending to subsidiary companies and is projected to fall to £90.039m by 31 March 2026. In future periods the Council will be reliant on the repayment of loans to companies to finance the repayment of its own borrowing.

Cashflow forecasts

The Council has undertaken cashflow modelling through to Feb 2027 which demonstrates that the Council's will likely need to undertake external borrowing during this time for operational purposes and this can be managed within the approved borrowing limits. The opening cash position for this cashflow modelling is £16.784m of cash and short-term investment balances as at 28 Nov 2025.

Subsidiary companies

The Council's subsidiary companies' ability to continue as a going concern is dependent on their ability to generate profit in the medium term, where applicable, and/or the continued support of the Council. If cash support might be required then parent guarantee can be put into place.

Management has no intent to liquidate or to cease operations and therefore the going concern basis is appropriate.

- Ipswich Buses Limited – Ipswich Buses is the most profitable of all IBC companies and holds the highest amount of usable reserves across the companies
- All the other Companies excluding the IBA ones all made a small pre tax profit
- IBA's loss this year reduced considerably from previous years and contribute the most to IBC through their repayment of loans

The Council relies on the subsidiaries to generate revenue income for the Council, which is now a crucial part of the Council's base budget income and part of the financial strategy moving forward. The Council received a gross £5.8m of investment income from the arms-length companies in the 2024/25 financial year. This figure reduces to £5.5m a year by 2027/28 in the Council's Medium Term Financial Plan, allowing for the scheduled repayment of loans.

Conclusion

The Council concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will be a going concern, twelve months from the date of the approval of these financial statements. This is based on its cash flow forecasting and the resultant liquidity position of the Council, taking account of the cash and short term investment forecast opening balances of £16.784m at 28 Nov 2025 and the ability for planned additional borrowing under the Treasury Management Policy of up to £263m. This borrowing is intended to be sourced from the Public Works Loan Board (PWLB). This demonstrates that the Council has sufficient liquidity over the next twelve months to operate as a going concern.

There continues to be a degree of risk as the companies need to continue to generate contributions and repay loans to the Council in the future however there have been no defaults on repayments and the Council has the ability to refinance any maturing loan which mitigates the risk of future default.

1.1 Accounting Policies

A) General Principles

The glossary of financial terms provides definitions of the accounting terms used in the Statement of Accounts.

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025.

The Accounting policies adopted by the Council have not changed during the year and have been applied in a consistent basis throughout the year.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets (current assets in terms of assets held for sale) and financial instruments.

B) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed, where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- 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.
- The full cost of employees is charged to the accounts of the period within which the employee worked. Accruals are made for salaries and other employee benefits (e.g. annual leave – see separate accounting policy 'Employee Benefits') earned but unpaid at the year end, where material. No accrual is made for flexi leave, maternity leave or sickness, as the amounts are immaterial.
- Where revenue 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 there is evidence that debts are unlikely to be settled, the balance of receivables is written down (impaired) and a charge made to revenue for the income that might not be collected.

C) Cash and Cash Equivalents

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

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

D) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change 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.

From the 1st April 2024 the implementation of IFRS16 Leases became mandatory this effectively removes the distinction between lessee finance and operating leases. The impact of IFRS16 on the accounts is immaterial for the first year of adoption.

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

E) Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue (known as the Minimum Revenue Provision or MRP) to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by MRP in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. MRP is not required on the HRA, although Voluntary MRP can be charged.

F) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as salaries, paid annual leave and paid sick leave, and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. Where material, an accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following accounting period, being the period in which the employee takes the benefit. Any accrual made is required under statute to be reversed out of the General Fund or Housing Revenue Account Balance by a credit to the Accumulated Absences Account in the Movement in Reserves Statement.

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 and are charged on an accruals basis to the relevant service lines within the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Account when the Council can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or HRA 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 termination benefits related to pensions enhancements 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.

Post Employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme, administered by Suffolk County Council. The scheme is accounted for as a defined benefits scheme.

The liabilities of the pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Contribution rates, which are included in the Accounts, are determined by triennial actuarial valuations. The rates payable in 2024/25 were determined by the valuation on 31 March 2022.

Liabilities are discounted to their value at current prices, using a discount rate determined by reference to market yields on high quality corporate bonds at the reporting date.

- discount rates are set by constructing a corporate bond yield curve based on the constituents of the iBoxx AA Corporate bond index

The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:

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

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line 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, taking into account any changes in the net defined benefit liability (asset) during the period as a result on contribution and benefit payments.

Remeasurements Comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

In relation to retirement benefits, statutory provisions requires the General Fund and Housing Revenue Account balances 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 transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G) Events after the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period – 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.

H) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

I) Financial Instruments

Financial Liabilities

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

For loans from the Public Works Loans Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. Where a financial instrument has a maturity of less than 12 months or is a trade or other payable, the fair value is taken to be the principal outstanding or the billed amount.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

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/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid, or in accordance with the item 8 determination with respect to the Housing Revenue Account debt. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund or HRA is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into three types:

- Fair Value through other Comprehensive Income (FVOCI) - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the CIES when the asset is disposed of.
- Fair Value through Profit and Loss (FVTPL) - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.
- Financial Assets held at amortised cost - These represent loans and loan-type arrangements where repayments of interest and principal take place on set dates and at specified amounts. The amount in the Balance Sheet represents the outstanding principal plus accrued interest. Interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable as per the loan agreement.

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

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.

J) Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as payables. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions), or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants), in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance or Housing Revenue Account in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

K) Interests in Companies and Other Entities

Summarised group financial statements have been produced to reflect the Council's material interests in companies and other entities that have the nature of subsidiaries and jointly controlled entities. In the Council's own single-entity accounts, the interests in companies and other entities are recorded at cost, less any provision for losses. The Council has nine related companies:

- 1) Ipswich Buses Limited
- 2) Ipswich Borough Assets Limited
- 3) IPSERV Limited
- 4) Handford Homes Limited
- 5) Stage Event Security Limited
- 6) IPSERV Direct Services Limited
- 7) Handford Lettings Limited
- 8) Ipswich Borough Assets Developments Limited
- 9) IPSERV Employers Limited

L) Fair Value Measurement

The Council measures some of its non-financial assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

The Council uses the appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets;

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

M) Investment Properties

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

Expenditure on the acquisition, creation or enhancement of Investment Property is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost or fair value of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset from the market participants perspective.

Investment Properties are not depreciated but are revalued annually to ensure they are held at highest and best use value at the balance sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

N) Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure its incurs and the share of income it earns from the activity of the operation. The Council is involved in two such operations, the joint arrangement with Colchester Borough Council for the running of a joint Museums Service and the Shared Revenues Partnership with Babergh and Mid-Suffolk District Councils.

O) Leases

For Lessees the traditional distinction between finance leases and operating leases has been removed through implementation of IFRS 16 Leases which is mandatory as of 1st April 2024. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Council as Lessor

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

Lease Type Arrangements

Where the Council enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset (e.g. an item of property, plant or equipment) in return for a payment or series of payments, the arrangement is accounted for as a lease as detailed above.

P) Overheads and Support Services

The costs of overheads and support services are charged service segments in accordance with the Council's arrangements for accountability and financial performance.

Q) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Assets valued at £10,000 or more are included in the Accounts.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

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

The Council does capitalise borrowing costs if the scheme meets the requirement where borrowing costs can be capitalised.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

- Assets under construction and Community Assets – historical cost
- Council Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus Assets - the current value measurement is fair value, estimates at highest and best use from a market participant's perspective
- Other Land & Buildings – current value, using a valuation method appropriate for the asset in its existing use
- Infrastructure, Vehicles Plant Furniture and Equipment and Intangible Assets – depreciated historical cost

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

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

The last full revaluation of assets was at 31 March 2019 by Wilks Head & Eve. For 2024/25 the Council revalued approximately 20% of its assets as at 31 March 2025 and this exercise was carried out by Wilks Head & Eve. The Council intends to revalue approximately 20% of its assets every year going forward, ensuring that all assets are revalued at intervals of no more than 5 years. Where there has been a significant change in an asset it has been revalued accordingly. Council Dwellings have been revalued by Wilks Head & Eve as at 31 March 2025 in accordance with the requirements of Resource Accounting for the Housing Revenue Account. The valuation of land and buildings is undertaken by professionally qualified valuers.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Gains are credited to the appropriate line(s) in the Surplus or Deficit on Provision of Services (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised) where they arise from the reversal of a revaluation loss previously charged to the Surplus or Deficit on Provision of Services.

Where decreases in value are identified, the revaluation loss is accounted for by:

- 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 insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.

When an asset is re-valued (revaluation gain and revaluation loss), any accumulated depreciation and impairment at the date of valuation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount of the asset.

Revaluation gains and revaluation losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- 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 insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement

In exceptional cases where an impairment loss is reversed subsequently on the same asset, the reversal is credited to the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). Depreciation is calculated on the following basis:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles plant furniture and equipment, Infrastructure and Intangible Assets – straight line over the assessed useful life

Depreciation is recognised in the appropriate line(s) in the Surplus or Deficit on Provision of Services. Depreciation is not permitted to have an impact on the General Fund Balance. The depreciation is therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

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

Disposals and Assets Held for Sale

If the carrying amount of an asset will be recovered principally through a sale transaction, that is highly probable to complete within one year from the date of classification, rather than through its continuing use, it is reclassified as a Current Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses recognised in the Surplus or Deficit on Provision of Services on the same asset (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised). Depreciation is not charged on Assets Held for Sale. Where assets are expected to be sold beyond 12 months of the end of the financial year, but the delay in the completion of the sale is beyond the Council's control and there is sufficient evidence that the Council remains committed to the plan to sell the asset, the assets are classified as Non-Current Assets Held for Sale.

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

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 (disposals of £10,000 or below are treated as revenue). A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund and Housing Revenue Account Balances in the Movement in Reserves Statement.

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

Componentisation

Where an item of Property, Plant and Equipment is of significant value in relation to the overall asset portfolio and has major components whose cost is significant in relation to the total cost of the asset, the components are depreciated separately.

The Council will apply a de minimis limit of £500,000, below which assets will not be componentised because the asset is not considered significant in relation to the overall value of the Council's asset portfolio. For those above this de minimis limit, there will be a separate de minimis to only consider those components that are significant in relation to the total cost of the asset (20% or above of the total cost). These de minimis limits will be assessed on a regular basis to ensure that the levels are appropriate and do not materially affect the depreciation calculation.

Componentisation for depreciation purposes is applicable to enhancement and acquisition expenditure incurred, and revaluations carried out, from 1 April 2010.

Where part of a Property, Plant and Equipment asset is replaced, the cost of the replacement is recognised in the carrying value of the asset and the carrying amount of those parts that are replaced is derecognised. This recognition and derecognition takes place regardless of whether the replaced part had been depreciated separately.

The Council carried out a componentisation exercise in 2018/19 as part of the revaluation exercise as at 31 March 2019 and this has been reflected in the accounts. When assets with significant componentisation aspects are revalued the effect will be reflected in the accounts.

Reclassifications to Investment Property

Where Property, Plant and Equipment meet the criteria for Investment Property, the asset is reclassified to Investment Property. The asset is revalued immediately before reclassification to Investment Property with any remaining balance on the Revaluation Reserve 'frozen' until such time it is reclassified.

R) Heritage Assets

The Code of Practice on local Council accounting in the United Kingdom 2024/25 defines heritage assets as those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations.

Heritage assets include historical buildings, archaeological sites, military and scientific equipment of historical importance, historic motor vehicles, civic regalia, order and decorations (medals), museum and gallery collections and works of art.

The council holds a range of heritage assets. These include the museum collections which are categorised as follows: Fine Art, Decorative Art, Archaeology, Geology/Biology/Zoology, Ethnography, Local/Social History, Civic Regalia, Costume and Books & Archives.

Other heritage assets held include a number of public art works, statues, war memorials and other items. These are held with the primary objective of increasing the knowledge, understanding and appreciation of local and national history.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council includes various properties within its asset base (e.g. museum buildings, town hall, regent theatre). Although these are historical buildings, they are operational assets i.e. the Council uses them to deliver its services. These are included within property, plant and equipment and valued/depreciated accordingly. The Council's collections of heritage assets are accounted for as follows:

Museum Collections

The Museum Collection is valued as per the insurance valuation, which under the Code of Practice is an acceptable measure of valuation. Previously, the 'significant' objects were valued on an individual basis, but not all objects were valued and therefore those objects were not previously recognised in the accounts.

Public Art/Statues/War Memorials

The Council has a number of public art works, statues and war memorials around the borough. There is no readily available valuation held by the Council for the majority of these assets and no definitive market value for these type of assets as they are not normally traded. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of these assets. As such the Council has generally not recognised these assets on the balance sheet. The exception is where cost information is available, in these instances the assets are recognised on the balance sheet at cost.

Heritage Assets - General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see accounting policy for property, plant and equipment. The council may occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see accounting policy for property, plant and equipment).

For those assets held on the balance sheet they are deemed to have indeterminate lives and a high residual value. Therefore the Council does not consider it appropriate to charge depreciation.

The museums collection is managed by the Colchester and Ipswich Museums Service and they work to ensure the assets are maintained and preserved.

The Public Art/Statues/War Memorials are managed by the Property Services section who ensure the assets are maintained and preserved.

S) Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Provisions are classified on the Balance Sheet as short term (due to be settled within 12 months of the financial year end) or long term (due to be settled over 12 months of the financial year end). For long term provisions where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The unwinding of the discount due to the passage of time is recognised as interest within Surplus or Deficit on the Provision of services.

T) 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 or HRA Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund or HRA Balance in the Movement in Reserves Statement so that there is no net charge against council tax or Council house rents for the expenditure.

For each reserve established, the purpose, usage and the basis of transactions are clearly identified. Reserves include earmarked reserves set aside for specific policy purposes and balances that represent resources set aside for purposes such as general contingencies and cash flow management.

Capital reserves are not available for revenue purposes and certain of them can only be used for specific statutory purposes.

The Major Repairs Reserve is required by statutory provision to be established in relation to the HRA in England. The items to be credited to the Major Repairs Reserve are an amount equal to HRA depreciation for the year, and transfers from the HRA required by statutory provision. The former is debited to the Capital Adjustment Account and the latter to the statement of movement on the HRA balance. The amounts debited to the Major Repairs Reserve are expenditure for the HRA capital purposes, repayment of principal on amounts borrowed and transfers to the HRA required by statutory provision.

U) Revenue Expenditure Funded from Capital under Statute

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

V) Value Added Tax

VAT payable is included as an expense in the Comprehensive Income and Expenditure Statement only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income in the Comprehensive Income and Expenditure Statement.

W) Agency versus Principal Accounting

In presenting income and expenditure, the Council takes a view as to whether the income and expenditure it incurs is on an Agency basis or a Principal basis. Agency basis is where the Council incurs income and expenditure on behalf of a third party, usually due to statutory rules and regulations. For example, the collection of Council Tax on behalf of Suffolk County Council and the Police & Crime Commissioner. Principal basis is where the Council incurs income and expenditure on behalf of a third party, but under contract and where risks and rewards are taken. An example is the LA Discretionary Grant scheme

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

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 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 issued but not yet adopted.

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph of the Code, are:

- IAS 21 The effects of Changes in Foreign Exchange Rate issued in August 2023.
- IFRS 17 Insurance Contracts issued in May 2017 replaces IFRS 4
- Changes to the measurement of non-investment assets within the 2025/26 Code includes adaptations and interpretations of IAS16 Property Plant & Equipment and IAS 38 Intangible Assets.

The Code requires implementation from 1 April 2025 and there is therefore no impact on the 2024/25 Statement of Accounts.

3. Critical Judgements in applying Accounting Policies

In applying the accounting policies, 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:

- Influences on going concern, such as future levels of funding for local government – The future funding for local authorities has a high degree of uncertainty. as does the impact of the inflation increases experienced in 2024/25 The Council has set aside amounts in working balances and reserves which it believes are appropriate based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the Council's track record in financial management. The Council's budget strategy for 2025/26 was approved in February 2025.
- Whether other entities with which the Council has a relationship are subsidiaries, associates or jointly controlled entities - The list of corporate partnerships was reviewed and updated and each was then analysed to determine the nature of the relationship and therefore the proper accounting treatment. Of all the partnerships, there were nine, Ipswich Buses Limited, Ipswich Borough Assets Limited, Ipswich Borough Assets Developments Limited, Handford Homes Limited, Handford Lettings Limited, IPSERV Limited, IPSERV Direct Services Limited, IPSERV Employers Limited and Stage Event Security Limited, all subsidiaries that requires consolidation in the accounts and the impact is shown in the Group Accounts.

4. Assumptions made about the future and other major sources of estimation uncertainty

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

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from
Pensions Liability	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 is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the Real Discount Rate assumption would result in an increase in the pension liability of £4.246m; a 1 year increase in member life expectancy would result in an increase in the pension liability of £10.273m; a 0.1% increase in the salary increase rate would result in an increase in the pension liability of £0.167m; a 0.1% increase in the pension increase rate (cpi) would result in an increase in the pension liability of £4.196m.
Arrears	At 31 March 2025, the Council had a balance of sundry receivables of £6.078m. A review of significant balances suggested that an impairment of doubtful debts of approx 11% (£0.654m) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a further 50% increase impairment of doubtful debts would require an additional £0.327m to be set aside as an allowance.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent 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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Council Dwellings would increase by £103,383 for every year that useful lives had to be reduced.

5. Material Items of Income and Expense

There are no individually material items of income and expenditure which are not disclosed elsewhere in the Statement of Accounts.

6. Events after the Balance Sheet Date

There are no significant events after the balance sheet date.

7. Adjustments between Accounting Basis and Funding Basis under Regulations

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

The following sets out a description of the reserves that the adjustments are made against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance however is not available to be applied to funding HRA services.

Housing Revenue Account Balances

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for the Council's housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function, or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls the application of HRA depreciation charges. The MRR is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Unusable Reserves

Descriptions of the unusable reserves are detailed in Note 27.

7. Adjustments between Accounting Basis and Funding Basis under Regulations

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

	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000's	£000's	£000's	£000's	£000's	£000's
2023/24						
Adjustments primarily involving the Capital Adjustment Account:						
<u>Reversal of items debited/(credited) to Comprehensive Income & Expenditure Statement</u>						
Charges for depreciation and impairment of non current assets	(2,905)	(6,300)	-	-	-	9,205
Revaluation losses on Property, Plant & Equipment	(1,759)	(4,723)	-	-	-	6,482
Movements in the fair value of Investment Properties	496	-	-	-	-	(496)
Amortisation of intangible assets	-	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	13,675	-	-	-	(6,465)	(7,210)
Revenue expenditure funded from capital under statute	(4,419)	-	-	-	-	4,419
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	24	1,343	(8,566)	-	-	7,199
<u>Insert items not debited/(credited) to Comprehensive Income & Expenditure Statement</u>						
Statutory/Voluntary provision for the financing of capital investment	3,603	2,994	-	-	-	(6,597)
Capital expenditure charged against the General Fund and HRA balances	104	7,728	-	-	-	(7,832)
Adjustments primarily involving the Capital Receipts Reserve:						
From the Capital Receipts Reserve to finance Government capital receipts pool	564	-	(564)	-	-	-
Capital Receipts applied to fund Capital Expenditure	-	-	12,799	-	-	(12,799)
Transfer from Capital Receipts Deferred to Capital Receipts Reserve	-	-	248	-	-	(248)
Adjustment primarily involving the Major Repairs Reserve:						
Reversal of Major Repairs Reserves entries credited to the HRA	-	13,902	-	(13,902)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	11,121	-	(11,121)
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Difference in finance costs charged to CIES and finance costs in accordance with statutory requirements	-	-	-	-	-	-
Adjustments primarily involving the Pension Reserve:						
Reversal of post employment benefits debited / (credited) to the Surplus or Deficit on the Provision of Services	(2,718)	(622)	-	-	-	3,340
Employer's pension contributions and direct payments to pensioners payable in year	5,780	1,323	-	-	-	(7,103)
Adjustments primarily involving the Accumulated Absences Account:						
Difference in officer remuneration charged to CIES on accruals basis & statutory remuneration chargeable	-	-	-	-	-	-
Adjustments primarily involving the Collection Fund Adjustment Account:						
Difference in council tax/NNDR income credited to CIES & statutory calculation of council tax income	2,041	-	-	-	-	(2,041)
Total Adjustments	14,486	15,645	3,917	(2,781)	(6,465)	(24,802)

2024/25

Adjustments primarily involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement

	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Unusable Reserves
	£000's	£000's	£000's	£000's	£000's	£000's
Charges for depreciation and impairment of non current assets	(3,271)	(6,632)	-	-	-	9,903
Revaluation losses on Property, Plant & Equipment	(22,237)	(5,831)	-	-	-	28,068
Movements in the fair value of Investment Properties	(1,746)	-	-	-	-	1,746
Amortisation of intangible assets	-	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	4,430	10,622	-	-	(889)	(14,163)
Revenue expenditure funded from capital under statute	(1,266)	-	-	-	-	1,266
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	916	(5,442)	-	-	4,494

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement

Statutory/Voluntary provision for the financing of capital investment	4,014	3,144	-	-	-	(7,158)
Capital expenditure charged against the General Fund and HRA balances	76	15,021	-	-	-	(15,097)

Adjustments primarily involving the Capital Receipts Reserve:

Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts	-	-	-	-	-	-
Capital Receipts applied to fund Capital Expenditure	-	-	11,903	-	-	(11,903)
Transfer from Capital Receipts Deferred to Capital Receipts Reserve	-	-	-	-	-	-

Adjustment primarily involving the Major Repairs Reserve:

Reversal of Major Repairs Reserves entries credited to the HRA	-	12,322	-	(12,322)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	9,871	-	(9,871)

Adjustments primarily involving the Financial Instruments Adjustment Account:

Difference in finance costs charged to CIES and finance costs in accordance with statutory requirements	-	-	-	-	-	-
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Adjustments primarily involving the Pension Reserve:

Reversal of post employment benefits debited / (credited) to the Surplus or Deficit on the Provision of Services	(4,628)	(1,061)	-	-	-	5,689
Employer's pension contributions and direct payments to pensioners payable in year	6,097	1,398	-	-	-	(7,495)

Adjustments primarily involving the Accumulated Absences Account:

Difference in officer remuneration charged to CIES on accruals basis & statutory remuneration chargeable	-	-	-	-	-	-
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Adjustments primarily involving the Collection Fund Adjustment Account:

Difference in council tax/NNDR income credited to CIES & statutory calculation of council tax income	(1,616)	-	-	-	-	1,616
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Total Adjustments

Usable Reserves						
General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Unusable Reserves	
£000's	£000's	£000's	£000's	£000's	£000's	£000's
(3,271)	(6,632)	-	-	-	-	9,903
(22,237)	(5,831)	-	-	-	-	28,068
(1,746)	-	-	-	-	-	1,746
-	-	-	-	-	-	-
4,430	10,622	-	-	(889)	-	(14,163)
(1,266)	-	-	-	-	-	1,266
32	916	(5,442)	-	-	-	4,494
4,014	3,144	-	-	-	-	(7,158)
76	15,021	-	-	-	-	(15,097)
-	-	-	-	-	-	-
-	-	11,903	-	-	-	(11,903)
-	-	-	-	-	-	-
-	12,322	-	(12,322)	-	-	-
-	-	-	9,871	-	-	(9,871)
-	-	-	-	-	-	-
(4,628)	(1,061)	-	-	-	-	5,689
6,097	1,398	-	-	-	-	(7,495)
-	-	-	-	-	-	-
(1,616)	-	-	-	-	-	1,616
(20,115)	29,899	6,461	(2,451)	(889)	(12,905)	

8. Expenditure and Funding Analysis

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

2023/24			2024/25			
Net Expenditure Chargeable to the General Fund & HRA £000's	Adjustments between Funding and Accounting Basis £000's	Net Expenditure in the Comprehensive Income & Expenditure Statement £000's		Net Expenditure Chargeable to the General Fund & HRA £000's	Adjustments between Funding and Accounting Basis £000's	Net Expenditure in the Comprehensive Income & Expenditure Statement £000's
General Fund Services						
1,903	2,411	4,314	Leader - Place	2,315	23,724	26,039
1,722	197	1,919	Deputy Leader - Strategy & Transformation	1,824	172	1,996
1,431	130	1,561	Planning & Museums	2,892	2,689	5,581
5,308	1,088	6,396	Environment & Climate Change	5,301	1,089	6,390
1,848	(21)	1,827	Housing	2,290	2,016	4,306
5,279	1,706	6,985	Communities and Sport	5,338	487	5,825
5,079	(170)	4,909	Resources	6,067	(246)	5,821
614	2,872	3,486	Culture and Customers	61	(4,594)	(4,533)
<u>(17,121)</u>	<u>10,825</u>	<u>(6,296)</u>	Housing Revenue Account (HRA)	<u>(19,657)</u>	<u>12,134</u>	<u>(7,523)</u>
6,063	19,038	25,101	Net Cost Of Services	6,431	37,471	43,902
2,981	(49,165)	(46,184)	Other Income & Expenditure	7,390	(47,257)	(39,867)
9,044	(30,127)	(21,083)	(Surplus) / Deficit on Provision of Services	13,821	(9,786)	4,035
General Fund						
(23,893)			Opening Balance	(23,189)		
704			(Surplus) / Deficit on Provision of Services	643		
<u>(23,189)</u>			Closing General Fund Balance	<u>(22,546)</u>		
Housing Revenue Account (HRA)						
(39,445)			Opening Balance	(31,104)		
8,341			(Surplus) / Deficit on Provision of Services	13,176		
<u>(31,104)</u>			Closing HRA Balance	<u>(17,928)</u>		

9. Expenditure and Funding Analysis - Adjustments between Accounting Basis and Funding Basis

2023/24				2024/25				
Adjustments for Capital Purposes £000's	Net Change to Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's		Adjustments for Capital Purposes £000's	Net Change to Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's
2,475	(64)	-	2,411	General Fund Services (GF)	23,843	(119)	-	23,724
256	(59)	-	197	Leader - Place	268	(96)	-	172
169	(39)	-	130	Deputy Leader - Strategy and Transformation	2,749	(60)	-	2,689
1,282	(194)	-	1,088	Planning & Museums	1,408	(319)	-	1,089
42	(63)	-	(21)	Environment & Climate Change	2,120	(104)	-	2,016
1,875	(169)	-	1,706	Housing	764	(277)	-	487
-	(170)	-	(170)	Communities and Sport	28	(274)	-	(246)
2,985	(113)	-	2,872	Resources	(4,408)	(186)	-	(4,594)
11,024	(199)	-	10,825	Culture and Customers	12,463	(329)	-	12,134
20,108	(1,070)	-	19,038	Housing Revenue Account (HRA)	39,235	(1,764)	-	37,471
				Net Cost Of Services				
(44,431)	(2,693)	(2,041)	(49,165)	Other Income & Expenditure from the Expenditure and Funding Analysis	(48,830)	(42)	1,615	(47,257)
(24,323)	(3,763)	(2,041)	(30,127)	Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	(9,595)	(1,806)	1,615	(9,786)

Adjustments for Capital Purposes

This column adjusts for the minimum revenue provision, depreciation, impairments, revaluation gains and losses, capital gains or losses on disposal, along with capital grants recognised in the Comprehensive Income and Expenditure Account, 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.

Net Change for the Pensions Adjustments

This column reflects the removal of employer pension contributions made by the Council as allowed by statute and the replacement with current 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 Account.

Other Differences

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.

10. Expenditure and Funding Analysis - Segmental Analysis

2023/24		2024/25	
Revenues from External Customers		Revenues from External Customers	
£000's	General Fund Services (GF)	£000's	
(3,121)	Leader - Place	(2,806)	
(143)	Deputy Leader - Strategy and Transformation	(142)	
(1,116)	Planning & Museums	(818)	
(5,899)	Environment & Climate Change	(6,411)	
(1,299)	Housing	(1,532)	
(4,039)	Communities and Sport	(3,709)	
(1,307)	Resources	(767)	
(10,059)	Culture and Customers	(10,683)	
(40,337)	Housing Revenue Account (HRA)	(44,310)	
(67,320)	Total Revenues from External Customers	(71,178)	

11. Expenditure and Income Analysed by Nature

2023/24		2024/25	
£000's		£000's	
	Expenditure		
40,443	Employee expenses	43,374	
78,599	Other service expenses	78,536	
15,688	Depreciation, amortisation and impairment	37,969	
5,632	Interest payments	7,642	
(496)	Investment Impairment charge	1,746	
(564)	Payments to Housing Capital Receipts pool	-	
17,894	Business Rates tariff payment and levy	18,075	
(1,367)	Gain on the disposal of assets	(947)	
(2,693)	Pension interest cost and expected return on pension assets	(42)	
153,136	Total Expenditure	186,353	
	Income		
(75,399)	Fees, charges and other service income	(81,357)	
(8,169)	Interest and Investment income	(7,380)	
(41,943)	Income from Council Tax and Non-domestic rates	(42,657)	
(48,708)	Government Grants and Contributions	(50,924)	
(174,219)	Total Income	(182,318)	
(21,083)	(Surplus) / Deficit on the Provision of Services	4,035	

12. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2023/24 and 2024/25.

Earmarked reserves are held for unspent monies where its use has been identified for a specific purpose, or the funds are ring-fenced.

General Fund (GF)	Balance at	Transfers	Transfers	Balance at	Transfers	Transfers	Balance at	Purpose of the Reserve
	1 April			31 March				
	2023	2023/24	2023/24	2024	2024/25	2024/25	2025	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Transport	(252)	-	-	(252)	-	-	(252)	Represents the initial investment in Ipswich Buses
GF Insurance	(454)	225	(322)	(551)	162	(245)	(634)	The provision for items not covered by insurance policy
Service Reserves	(7,079)	3,472	(3,048)	(6,655)	3,085	(3,139)	(6,709)	For in year cost pressures/non-recurring expenditure
Repairs & Renewals	(632)	8	(237)	(861)	1,393	(1,666)	(1,134)	Ensure assets are maintained to a good standard
Business Rates	(2,404)	-	(577)	(2,981)	675	-	(2,306)	To provide cover for fluctuations in NDR income
Business Rates S31 Reliefs	(825)	-	825	-	-	-	-	S31 reliefs to cover collection fund deficit c/f
Legacies	(164)	-	(1)	(165)	-	-	(165)	Bequests to assist purchase of museum exhibits
Capital Financing	(223)	104	(593)	(712)	76	(76)	(712)	Revenue contributions to capital outlay
Revenue Grants	(3,870)	128	(311)	(4,053)	1,628	(1,694)	(4,119)	Unspent government grants and commuted sums to cover the annual maintenance costs of adopted land
Section 106 Grants	(703)	12	-	(691)	-	(287)	(978)	Section 106 money received, but not yet spent
Total	(16,607)	3,949	(4,264)	(16,922)	7,019	(7,107)	(17,010)	
Housing Revenue Account (HRA)								
Capital Financing	(27,599)	7,728	(1,000)	(20,872)	15,021	-	(5,851)	Revenue contributions to Capital outlay that are planned to be used to increase housing stock
Repairs & Renewals	(1,500)	-	-	(1,500)	1,000	-	(500)	Ensure assets are maintained to a good standard
Sheltered Scheme	(2,943)	-	(1,000)	(3,943)	-	(1,000)	(4,943)	To determine future requirements of sheltered homes
IT Reserves	-	-	-	-	-	-	-	To fund replacement/enhancement of IT
HRA Insurance	(184)	58	(149)	(274)	353	(78)	1	The provision for items not covered by insurance policy
Service Reserves	(1,269)	486	(187)	(970)	767	(73)	(276)	For in year cost pressures/non-recurring expenditure
Abortive New Build	(300)	-	-	(300)	-	-	(300)	For abortive costs for sites that do not proceed
HRA Tenant satisfaction measures	(23)	8	-	(15)	-	-	(15)	For tenant satisfaction measures - surveys
Total	(33,818)	8,281	(2,336)	(27,873)	17,141	(1,151)	(11,883)	

13. Trading Undertakings

A number of Council services are involved in a significant level of trading with third parties. The turnover and surplus/deficit of these services are included within the Net Cost of Services in the Comprehensive Income and Expenditure Account and include the following other trading services:

2023/24			2024/25			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000's	£000's	£000's		£000's	£000's	£000's
1,614	(1,924)	(310)	Corporate Properties	24,103	(2,096)	22,007
5,504	(5,195)	309	Council Halls / Theatres	5,798	(5,731)	67
4,698	(3,049)	1,649	Car Parks	(2,015)	(3,202)	(5,217)
662	(744)	(82)	Crematorium	500	(913)	(413)
1,655	(2,164)	(509)	Trade Refuse	1,569	(2,274)	(705)
14,133	(13,076)	1,057	Total	29,955	(14,216)	15,739

The year on year variation in Net Expenditure identified above is partly due to further variations in Capital Charges following asset revaluations, the effect of which is shown as follows:

2023/24			2024/25			
Gross Expenditure excluding Capital Charges	Gross Income	Net Expenditure excluding Capital Charges		Gross Expenditure excluding Capital Charges	Gross Income	Net Expenditure excluding Capital Charges
£000's	£000's	£000's		£000's	£000's	£000's
1,101	(1,924)	(823)	Corporate Properties	1,151	(2,096)	(945)
5,340	(5,195)	145	Council Halls / Theatres	5,665	(5,731)	(66)
2,458	(3,049)	(591)	Car Parks	2,673	(3,202)	(529)
441	(744)	(303)	Crematorium	510	(913)	(403)
1,530	(2,164)	(634)	Trade Refuse	1,437	(2,274)	(837)
10,870	(13,076)	(2,206)	Total	11,436	(14,216)	(2,780)

14. Grant Income

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

2023/24 £000's		2024/25 £000's
-	Covid19 Grants	-
(81)	New Homes Bonus Grant	(7)
(359)	Lower Tier Funding	(1,005)
-	Council Tax Support Funding	(9)
(176)	Services Grant	(30)
(188)	Revenue Support Grant	(201)
(804)	Non-ringfenced Government Grants	(1,252)
(13,675)	Capital Contributions Income	(15,051)
(13,675)	Capital Grants and Contributions	(15,051)
(32,043)	DWP Grants	(32,587)
(2,187)	Homelessness Grant	(2,034)
(34,230)	Grants Credited to Services	(34,621)

15. Councillor Allowances

The Council paid the following amounts to Councillors of the Council during the year:

2023/24 £000's		2024/25 £000's
230	Salaries	239
122	Allowances	141
352	Total Paid to Councillors	380

16. Audit and Inspection

In 2024/25, the Council incurred the following fees relating to external audit inspection:

2023/24 £000's		2024/25 £000's
223	Fees paid to the appointed auditor with regard to external audit	239
-	Fees paid to the appointed auditor with regard to external audit - additional fee re 23/24 accounted for in 24/25	23
	Fees paid in respect of other services provided by the external auditors	
10	- Audit of Housing Capital Receipts	10
18	Fees paid for Housing Benefit Certification of grant claims & returns*	15
251	Total Fees Paid to External Auditors	287

*Note the 24-25 HB certification fee is for 23-24 fees accounted for in 24-25

17. Officer Emoluments

The number of employees, including the Senior Officers shown below, whose remuneration including redundancy payments where applicable, but excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

2023/24 Number of employees	Remuneration band	2024/25 Number of employees
21	£50,000 - £54,999	28
3	£55,000 - £59,999	2
13	£60,000 - £64,999	3
5	£65,000 - £69,999	13
0	£70,000 - £74,999	2
0	£75,000 - £79,999	0
1	£80,000 - £84,999	1
1	£85,000 - £89,999	3
0	£90,000 - £94,999	0
2	£95,000 - £99,999	0
0	£100,000 - £104,999	2
0	£105,000 - £129,999	0
1	£130,000 - £139,999	0
0	£140,000 - £144,999	1

All the Officers are eligible to be members of the Local Government Pension Scheme. The rules of the scheme are set at national level and the employer pension contributions for members, for current service cost, are 23% of annual pay. In addition, each officer who is a member contributes between 8.5% and 10.5% of their salary to the fund, in line with national rules.

The Expenses Allowances does not include expenses that the officers concerned were eligible to claim, but did not wish to do so.

The following table sets out the remuneration disclosures for Senior Officers for 2024/25, whose salary is equal to or more than £50,000 per year:

Postholder Information (Post Title)	Note	Salary, including Fees & Allowances £	Expenses Allowances £	Compensation for loss of Office, including Redundancy £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive		141,324	1,220	-	142,544	32,505	175,048
Director Resources & Housing	1	101,064	-	-	101,064	23,127	124,191
Director Operations & Place		100,553	77	-	100,629	23,127	123,757
Assistant Director Governance	2	81,705	-	-	81,705	18,792	100,498
Assistant Director Place		64,431	-	-	64,431	13,573	78,004
Assistant Director Housing		88,913	-	-	88,913	20,450	109,363
Assistant Director Finance	3	70,592	-	-	70,592	16,236	86,828
Assistant Director Operations		88,913	-	-	88,913	20,450	109,363
Assistant Director Communities		85,805	-	-	85,805	19,735	105,540
Director Strategy and Change	4	67,183	-	-	67,183	9,620	76,803
Total		890,483	1,296	-	891,780	197,615	1,089,395

Note

- 1 The Council's Finance Section 151 Officer
- 2 The Council's Monitoring Officer
- 3 Post was created during the year (Deputy Section 151 Officer)
- 4 Post was disestablished during the year

There were no payments towards Benefits in Kind (e.g. Car Allowance) in 2024/25 (2023/24 £0)

The following table sets out the remuneration disclosures for Senior Officers for 2023/24, whose salary is equal to or more than £50,000 per year.

Postholder Information (Post Title)	Note	Salary, including Fees & Allowances £	Expenses Allowances £	Compensation for loss of Office, including Redundancy Total £	Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive		133,386	-	-	133,386	30,679	164,065
Director Resources & Housing	1	96,191	380	-	96,571	22,096	118,667
Director Operations & Place		96,071	-	-	96,071	22,096	118,167
Assistant Director Monitoring Officer	5	82,611	-	-	82,611	17,906	100,517
Assistant Director of Place	6	93,871	3,915	-	97,786	21,567	119,353
Assistant Director of Housing & Communities		86,744	215	-	86,959	19,951	106,910
Director Strategy and Change	7	23,403	-	-	23,403	4,357	27,760
Assistant Director of Operations	8	28,215	-	-	28,215	6,489	34,705
Assistant Director of Communities	9	12,995	-	-	12,995	2,989	15,984
Total		653,487	4,510	-	657,998	148,131	806,129

Note 5 Assistant Director Monitoring Officer left 31/10/23 and re-employed on a casual contract

Note 6 Assistant Director Place left 5/1/24

Note 7 Director Strategy and Change part year effect (started 1/8/23 left 13/10/23)

Note 8 Assistant Director of Operations part year effect started 4/12/23

Note 9 Assistant Director of Communities part year effect started 4/2/24

Exit Packages

The numbers of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the table below:

a) Exit package cost band (including special payments)	b) Number of compulsory redundancies		c) Number of other departures agreed		d) Total number of exit packages by cost band (b + c)		e) Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	1	16	8	18	9	34	52,098	182,619
£20,001 - £40,000	-	-	-	7	-	7	-	208,456
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	1	-	1	-	133,062
Totals	1	16	8	26	9	42	52,098	524,137

18. Related Parties

The Council is required to disclose details of transactions with related parties. Related parties are generally either individuals or organisations that could exert direct or indirect control over the other party or where the parties to a transaction are subject to common control from the same source.

Ipswich Buses Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 14 March 1986) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred £112k of expenditure (2023/24 £114k) and received income of £254k (2023/24 £127k) in dealings with Ipswich Buses Limited. The net amount owed by Ipswich Buses Ltd to the Council as at 31 March 2025 is £119k (2023/24 £201k). Ipswich Buses Ltd repaid all outstanding Ipswich Borough Council loans (2023/24 balance was £267k).

Ipswich Borough Assets Limited (IBA Ltd) is a wholly owned subsidiary of Ipswich Borough Council (incorporated 7 April 2016) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred expenditure of £7k (23/24 £0) and received income of £5.82m (2023/24 £5.49m) in dealings with Ipswich Borough Assets Limited. The net amount owed by Ipswich Borough Assets Ltd to the Council as at 31 March 2025 is £5.237m (2023/24 £3.363m). As at 31 March 2025 Ipswich Borough Assets Ltd owed Ipswich Borough Council £121.5m for loans outstanding (31 March 2024 £121.7m).

Ipserv Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 22 February 2017) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred expenditure of £716k (2023/24 £646k) and received income of £192k (2023/24 £205k) in dealings with Ipserv Limited. The net amount owed by Ipserv Ltd to the Council as at 31 March 2025 is £24k (2023/24 £414k).

Ipserv Direct Services Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 18 December 2018) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred expenditure of £3.381m (2023/24 £2.992m) and received no income in 2024/25 (2023/24 0k) in dealings with Ipserv Direct Services Ltd. The net amount owed by the Council to Ipserv Direct Services Ltd as at 31 March 2025 is £216k (2023/24 £349k).

Handford Homes Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 12 July 2017) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred expenditure of £53.457m (2023/24 £22.393m) and received income of £11k (2023/24 £41k) in dealings with Handford Homes Limited. The net amount owed to Handford Homes Ltd by the Council as at 31 March 2025 is £2.746m (2023/24 net owed to Handford Homes £5.687m).

Stage Event Security Limited is a wholly owned subsidiary of IPSEV (incorporated 20 September 2013) and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred no expenditure (2023/24 £0k) and received income of £4k (2023/24 £2k) in dealings with Stage Event Security Limited. The net amount owed by Stage Event Security Ltd to the Council as at 31 March 2025 is £44k (2023/24 £0k).

Handford Lettings Limited is solely owned by Handford Homes (incorporated 1 November 2018) which is a wholly owned subsidiary of Ipswich Borough Council and details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council did not incur any expenditure (2023/24 £0k) and received income of £136k (2023/24 £136k) in dealings with Handford Lettings Limited. The net amount owed by Handford Lettings Ltd to the Council as at 31 March 2025 is £0k (2023/24 £86k).

Ipswich Borough Assets Developments Limited (IBAD Ltd) is solely owned by IBA Ltd (incorporated 21 January 2020) which is a wholly owned subsidiary of Ipswich Borough Council. Details of related parties are contained within the Group Statement (Group Accounts).

Ipserv Employers Limited was incorporated on 19 January 2022 and is solely owned by Ipserv Ltd which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence. Details of related parties are contained within the Group Statement (Group Accounts).

During 2024/25 the Council incurred expenditure of £0k (2023/24 £0k) and income was received £1k (2023/24 £19k) in dealings with Ipserv Employers. The net amount owed by/to Ipserv Employers Ltd to the Council as at 31 March 2025 is £0k (2023/24 £0)

UK Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefit). Grants received from government departments are set out in the subjective analysis in Note 11 on reporting for resources allocation decisions and are shown in Note 14.

Members of the Council have direct control over the Council's financial and operating policies. The total of councillor allowances paid in 2024/25 is shown in Note 15. A Register of Councillors' Interests is kept as required by the Local Government Act 2000. The Council paid grants totalling £207,000 to voluntary organisations in which Councillors had either positions on the governing body or were observers for the Council. In addition to grants given to these bodies a further £8,109 was spent by the Council with these bodies in 2024/25.

During 2024/25 there were payments to Ipswich Software Ltd for software maintenance of £11,242 (2023/24 £21,402) which is being disclosed due to a Councillor being the majority shareholder of the company, with another Councillor being their spouse.

Senior Officers do not have any material transactions with related parties.

The Council is involved in two joint arrangements, with Colchester Borough Council for the running of a joint Museums Service and with Babergh and Mid-Suffolk District Councils for the Shared Revenues Partnership.

19. Property, Plant and Equipment - Movement on Balances

2023/24	Council Dwellings £000's	Other Land and Buildings £000's	Vehicles, Plant, Furniture & equipment £000's	Infrastructure Assets £000's	Community Assets £000's	Surplus Assets £000's	Assets under Construction £000's	Total Property, Plant and Equipment £000's
Cost or Valuation at 1 April 2023	509,975	106,280	16,356	1,549	9,657	2,068	37,107	682,992
Additions / Donations	14,866	4,232	2,735	-	317	-	30,853	53,003
Revaluation increases / (decreases) in Revaluation Reserve	25,877	1,524	-	-	-	376	-	27,777
Revaluation increases / (decreases) in Surplus/Deficit on the Provision of Services	(5,771)	(1,915)	-	-	-	-	-	(7,686)
Impairment increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-	-
Other Movements in Cost & Valuation	-	(1)	-	-	-	-	1	-
Disposals	(3,108)	(47)	(180)	-	-	-	(4,317)	(7,652)
Cost or Valuation at 31 March 2024	541,839	110,073	18,911	1,549	9,974	2,444	63,644	748,434
Accumulated Depreciation & Impairment at 1 April 2023	1	(812)	(7,774)	(900)	-	-	-	(9,485)
Depreciation charge	(5,947)	(1,596)	(1,597)	(65)	-	-	-	(9,205)
Depreciation written out to the Revaluation Reserve	4,930	1,038	-	-	-	-	-	5,968
Depreciation written out to the Surplus/Deficit on the Provision of Services	996	207	-	-	-	-	-	1,203
Impairment Losses/Reversals written out to the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment Losses/Reversals written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - Disposals	20	-	180	5	-	-	-	205
At 31 March 2024	-	(1,163)	(9,191)	(960)	-	-	-	(11,314)
Net Book Value as at 1 April 2023	509,976	105,468	8,582	649	9,657	2,068	37,107	673,507
Net Book Value as at 31 March 2024	541,839	108,910	9,720	589	9,974	2,444	63,644	737,120

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2024/25								
Cost or Valuation at 1 April 2024	541,839	110,073	18,911	1,549	9,974	2,444	63,644	748,434
Additions / Donations	25,021	16,176	1,663	-	51	-	27,523	70,434
Revaluation increases / (decreases) in Revaluation Reserve	13,098	5,050	-	-	108	(146)	-	18,110
Revaluation increases / (decreases) in Surplus/Deficit on the Provision of Services	(6,517)	(22,745)	-	-	(61)	-	-	(29,323)
Impairment increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	(420)	-	-	-	-	-	(420)
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-	-
Other Movements in Cost & Valuation	-	20,817	-	-	-	-	(20,817)	-
Derecognition - Disposals	(2,976)	(1,536)	(387)	-	-	-	-	(4,899)
Cost or Valuation as at 31 March 2025	570,465	127,415	20,187	1,549	10,072	2,298	70,350	802,336
Accumulated Depreciation & Impairment at 1 April 2024	-	(1,163)	(9,191)	(960)	-	-	-	(11,314)
Depreciation charge	(6,203)	(1,710)	(1,925)	(64)	-	-	-	(9,902)
Depreciation written out to the Revaluation Reserve	5,455	1,075	-	-	-	-	-	6,530
Depreciation written out to the Surplus/Deficit on the Provision of Services	729	527	-	-	-	-	-	1,256
Impairment Losses/Reversals written out to the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment Losses/Reversals written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - Disposals	19	5	387	(5)	-	-	-	406
At 31 March 2025	-	(1,266)	(10,729)	(1,029)	-	-	-	(13,024)
	541,839	108,910	9,720	589	9,974	2,444	63,644	737,120
Net Book Value as at 31 March 2025	570,465	126,149	9,458	520	10,072	2,298	70,350	789,312

Revaluations

The Council ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by Wilks Head & Eve. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The basis for valuation of non-current assets is set out in the Statement of Accounting Policies.

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

All the Council's surplus assets and investment properties have been assessed as Level 2 on the fair value hierarchy for valuation purposes.

The fair value of surplus assets and investment properties have been measured using a market approach, which takes into account quoted process for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

In ascertaining the fair value of the Council's surplus assets and investment properties the ultimate aim is to arrive at the notional "Highest and Best use value" for the asset either as a stand-alone asset or in combination with other assets within the principal market whilst ensuring that any alternative use is physically, legally and financially possible.

This has been achieved for these purposes by comparing the "current use" of the asset to the notional "alternative use" based on potential redevelopment on a land value basis for the site(s).

The significant assumptions applied in estimating the fair values are:

- That good title can be shown and all valid planning permissions and statutory approvals are in place, or are likely to be obtained.
- That there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.
- That an inspection of those parts not inspected would not reveal defects that would affect the valuation.

The following statement shows the effective dates of the revaluations for the Property, Plant and Equipment.

	Council Dwellings £000's	Other Land and Buildings £000's	Vehicles, Plant, Furniture & equipment £000's	Infrastructure Assets £000's	Community Assets £000's	Surplus Assets £000's	Assets under Construction £000's	Total Property, Plant and Equipment £000's
Carried at historic costs	-	-	20,187	1,549	10,072	-	70,350	102,158
Value at current value as at:								
31 March 2025	570,465	77,064	-	-	-	2,298	-	649,827
31 March 2024	-	14,379	-	-	-	-	-	14,379
31 March 2023	-	15,151	-	-	-	-	-	15,151
31 March 2022	-	8,881	-	-	-	-	-	8,881
31 March 2021	-	11,939	-	-	-	-	-	11,939
Total Cost or Valuation	570,465	127,414	20,187	1,549	10,072	2,298	70,350	802,335

Depreciation

The following useful lives have been used in the calculation of depreciation:

- Council dwellings: 60 years
- Other buildings: 5 to 60 years
- Vehicles, plant, furniture and equipment: 1 to 15 years
- Infrastructure assets: 25 years

Commitments Under Capital Contracts

Capital Commitments greater than £250,000 as at 31 March 2025:

Scheme	Amount £000's	Period of Investment	Purpose of Investment
Increased Housing Provision	22,508	1 Year	To provide more Social Housing in Ipswich
Ipswich Standard	12,701	1 Year	Investment to ensure decent homes standard is met
Towns Fund	18,335	1 Year	To help regenerate Ipswich
Princes St Area Multi Storey car pa	6,333	1 Year	Car Park conversion to allow further redevelopment
Museum Project	6,007	1 Year	Investment in the Council's Museum
Climate Change	3,430	1 Year	Climate Change initiatives
Corporate Properties	3,378	1 Year	Investment in the Council's properties
Regent Theatre	3,165	1 Year	Investment in Council's Theatre to improve the customer experience
Eastern Gateway	3,081	1 Year	To help regenerate Ipswich
Broomhill Pool	3,045	1 Year	Investment in the Council's properties
Housing (Non HRA)	1,023	1 Year	To provide more Housing in Ipswich
Sports Facilities	952	1 Year	Investment in Council sports facilities
Fleet/Machinery Replacement	894	1 Year	Investment in the Council's assets
Creative Hub	873	1 Year	Regeneration to promote arts
New Depot	518	1 Year	Replacement of current works depot
East Villa	500	1 Year	Investment in the Council's properties
Ips. Historic Churches	347	1 Year	Investment in Historic Buildings
Parks Improvements	300	1 Year	to improve leisure facilities
Total	<u>87,389</u>		

20. Investment Properties

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

2023/24		2024/25
£000's		£000's
11,413	Opening Balance	11,909
-	Additions	-
-	Disposals	-
496	Net gains/(losses) from fair value adjustments	(1,746)
-	Transfers To/from Property, Plant and Equipment	-
11,909	Closing Balance	10,163

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

2023/24		2024/25
£000's		£000's
(956)	Rental income from Investment Property	(848)
-	Direct operating expenses arising from Investment Property	-
(956)		(848)

21. Heritage Assets

2023/24		2024/25
£000's		£000's
71,445	Cost or Valuation - Gross Carrying Amount	71,445
-	Revaluation increases/(decreases) recognised in the Revaluation Reserve	141
71,445	Closing Balance	71,586
-	Accumulated Depreciation & Impairment	-
-	Closing Balance	-
71,445	Net Book Value	71,586

22. Receivables

31 March 2024		31 March 2025
£000's		£000's
7,181	Central government bodies	4,920
4,421	Other local authorities	6,203
(34)	NHS bodies	182
4,264	IBC Subsidiaries	5,472
	Other entities and individuals:	
6,606	Sundry Receivables	6,078
2,110	Council Tax	2,338
1,879	Non Domestic Rates	1,009
1,138	Housing Rents	832
27,565		27,034
	Less Provision for Bad Debts:	
(716)	Sundry Receivables	(654)
(1,113)	Council Tax	(1,198)
(791)	Non Domestic Rates	(346)
(743)	Housing Rents	(508)
24,202	Total	24,328

The Sundry Receivables Bad Debt provision was established to cover bad debts arising from, in particular, commercial rents and housing benefit overpayments. The Housing Rents Bad Debt Provision was established under the terms of the Housing and Local Government Act 1989 to cover bad debts on Council dwellings relating to a period prior to 1 April 1990. Annual provision continues to be made to cover debts arising since that date.

23. Cash and Cash Equivalents

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

31 March 2024		31 March 2025
£000's		£000's
272	Cash Held by the Council	145
(1,452)	Bank Current Accounts	2,807
(1,180)	Total	2,952

24. Assets Held for Sale

	Current		Non-Current	
	2023/24 £000s	2024/25 £000s	2023/24 £000s	2024/25 £000s
Balance outstanding at start of year	474	474	-	-
Assets newly classified as held for sale:				
Property, plant and equipment	-	420	-	-
Additions	-	-	-	-
Revaluation gains recognised in Revaluation Reserve	-	(366)	-	-
Balance outstanding at year end	474	528	-	-

25. Payables

31 March 2024		31 March 2025
£000's		£000's
(8,974)	Central government bodies	(4,475)
(2,577)	Other local authorities	(2,224)
(14)	NHS bodies	39
(6,236)	IBC Subsidiaries	(3,010)
	Other entities & individuals:	
(13,068)	Sundry Payables	(11,053)
(1,122)	Council Tax	(1,265)
(1,131)	Non Domestic Rates	(1,971)
(1,036)	Housing Rents	(1,604)
(34,158)	Total	(25,563)

26. Provisions

Provisions are defined in the Accounting Policies. Movements during the year were as follows:

	Accumulated Absences Account	Non-domestic rates	Insurance	Total
	£000's	£000's	£000's	£000's
Balance at 1 April 2024	(344)	(1,768)	(386)	(2,498)
Used	(344)	366	108	130
Reversed	344	-	15	359
New	-	(451)	(80)	(531)
Balance at 31 March 2025	(344)	(1,853)	(343)	(2,540)

The Insurance Provision at 31 March 2025 represents funds set aside for the purpose of providing for liabilities, which are likely or certain to be incurred but are uncertain as to the amount or the date on which they will arise.

Insurance claims are met by an Insurance fund operated by the Council. Insurance premiums are paid into the fund from the revenue account by services requiring insurance cover. Insurance claims less than the policy excesses, and policy excesses, are then met from the Insurance Fund. Risks covered by the fund include: Employers Liability; Third Party Claims; Property; Motor Vehicles; Terrorism and Officials Indemnity within agreed excess levels.

The Non-domestic rates provision at 31 March 2025 represents funds set aside to settle appeals that have been made, but not settled.

	Current	Non-Current	Total
	£000's	£000's	£000's
Balance at 1 April 2024	(2,410)	(88)	(2,498)
Balance at 31 March 2025	(2,450)	(90)	(2,540)

The current provision is for items that are expected to be settled within the next 12 months.

For the non-current provision, it is not possible to determine the timing of any potential settlements.

27. Unusable Reserves

31 March 2024 £000's		31 March 2025 £000's
(278,018)	Revaluation Reserve	(299,432)
(351,004)	Capital Adjustment Account	(366,721)
(248)	Deferred Capital Receipts Reserve	(248)
-	Pensions Reserve	12,977
(1,728)	Collection Fund Adjustment Account	(112)
344	Accumulated Absences Account	344
(630,654)	Total Unusable Reserves	(653,192)

Revaluation Reserve

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

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

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

2023/24 £000's		2024/25 £000's
(247,045)	Balance at 1 April	(278,018)
(40,173)	Upward revaluation of assets	(29,798)
6,427	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	5,382
(33,746)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	(24,416)
1,947	Difference between fair value depreciation and historical cost depreciation	2,133
826	Accumulated gains on assets sold or scrapped	869
2,773	Amount written off to the Capital Adjustment Account	3,002
(278,018)	Balance at 31 March	(299,432)

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 values to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

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

2023/24 £000's		2024/25 £000's
(329,481)	Balance at 1 April	(351,004)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
9,205	Charges for depreciation and impairment of non current assets	9,903
6,482	Revaluation losses on Property, Plant and Equipment	28,068
-	Amortisation of intangible assets	-
4,419	Revenue expenditure funded from capital under statute	1,265
7,198	Non current assets written off on disposal/sale to the Comprehensive Income & Expenditure Statement	4,494
<u>27,304</u>		<u>43,730</u>
<u>(2,773)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(3,002)</u>
24,531	Net written out amount of the cost of non current assets consumed in the year	40,728
	Capital financing applied in the year:	
(12,799)	Use of the Capital Receipts Reserve to finance new capital expenditure	(11,903)
(11,121)	Use of the Major Repairs Reserve to finance new capital expenditure	(9,871)
(7,209)	Capital grants/contributions credited to the Comprehensive Income & Expenditure Statement	(14,162)
-	Application of grants to capital financing from the Capital Grants Unapplied Account	-
(6,597)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(7,158)
(7,832)	Capital expenditure charged against the General Fund and HRA balances	(15,097)
<u>(45,558)</u>		<u>(58,191)</u>
(496)	Movements in the market value of Investment Properties to the Comprehensive Income & Expenditure Statement	1,746
<u>(351,004)</u>	Balance at 31 March	<u>(366,721)</u>

Pension 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 pensions funds or eventually pays any pensions for which it is directly responsible. As the Pension Fund is still in net surplus an Asset Credit Ceiling adjustment has to be carried out this results in £0 being held in the Council's balance sheet.

2023/24 £000's		2024/25 £000's
	- Balance at 1 April	-
3,763	Remeasurements of the net defined benefit liability	14,783
3,340	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	5,689
(7,103)	Employer's pensions contributions and direct payments to retirees payable in the year	(7,495)
-	Balance at 31 March	12,977

Collection Fund Adjustment Account

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

2023/24 £000's		2024/25 £000's
313	Balance at 1 April	(1,728)
(2,041)	Amount by which council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	1,616
(1,728)	Balance at 31 March	(112)

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. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24 £000's		2024/25 £000's
344	Balance at 1 April	344
(344)	Settlement or cancellation of accrual made at the end of the preceding year	(344)
344	Amounts accrued at the end of the current year	344
-	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-
344	Balance at 31 March	344

28. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), 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. The CFR is analysed in the second part of this note.

2023/24 £000's		2024/25 £000's
298,138	Opening Capital Financing Requirement	314,145
684	PY Adjustment for the historical change in the calculation of the Adjustment A	-
	Capital Investment	
53,003	Property, Plant and Equipment	70,432
4,419	Revenue Expenditure Funded from Capital under Statute	1,266
4,450	Loans to Companies	-
-	Repayment of Borrowings	-
	Sources of Finance	
(13,048)	Capital Receipts	(11,903)
(7,209)	Government grants and other contributions	(14,162)
	Sums set aside from revenue:	
(18,952)	Direct revenue contributions	(24,969)
(6,597)	Minimum Revenue Provision	(7,158)
(743)	Repayment of Loans	(382)
314,145	Closing Capital Financing Requirement	327,269
	Explanation of Movements in Year	
(114)	Decrease in underlying need to borrowing (supported by government financial assistance)	(114)
15,437	Increase in underlying need to borrowing (unsupported by government financial assistance)	13,238
684	PY Adjustment for the historical change in the calculation of the Adjustment A	-
16,007	Increase/(decrease) in Capital Financing Requirement	13,124

29. Leases

The Council leases out property under operating leases for the provision of community services; such as sports facilities, tourism services and community centres, and for economic development purposes; to provide suitable, affordable accommodation for local businesses.

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

31 March 2024 £000's		31 March 2025 £000's
3,558	Not later than one year	3,552
11,486	Later than one year and not later than five years	10,803
42,060	Later than five years	39,653
57,104	Total	54,008

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

30. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Long-term				Current			
	Investments		Debtors		Investments		Debtors	
	31 March 2024	31 March 2025						
	£000's							
Amortised Cost	302	302	121,651	120,789	56	2,952	12,952	16,497
Fair Value through profit or loss	-	-	-	-	-	-	-	-
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-	-	-	-
Total Financial Assets	302	302	121,651	120,789	56	2,952	12,952	16,497
Non Financial Assets	-	-	-	-	-	-	-	-
Total	302	302	121,651	120,789	56	2,952	12,952	16,497

Financial Liabilities	Long-term				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31 March 2024	31 March 2025						
	£000's							
Amortised Cost	(186,377)	(218,018)	(375)	(378)	(21,017)	(32,157)	(18,051)	(14,523)
Fair Value through profit or loss	-	-	-	-	-	-	-	-
Total Financial Liabilities	(186,377)	(218,018)	(375)	(378)	(21,017)	(32,157)	(18,051)	(14,523)
Non Financial Liabilities	-	-	-	-	-	-	-	-
Total	(186,377)	(218,018)	(375)	(378)	(21,017)	(32,157)	(18,051)	(14,523)

Fair Values of Assets and Liabilities

Financial assets (represented by loans and receivables) and financial liabilities are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other payables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

31 March 2024			31 March 2025	
Carrying Amounts	Fair Value		Carrying Amounts	Fair Value
£000's	£000's		£000's	£000's
358	358	Financial Assets carried at Amortised cost	3,254	3,254
134,603	134,603	Receivables	137,286	137,286
134,961	134,961		140,540	140,540

31 March 2024			31 March 2025	
Carrying Amounts	Fair Value		Carrying Amounts	Fair Value
£000's	£000's		£000's	£000's
(207,394)	(194,212)	Financial Liabilities carried at Amortised cost	(250,175)	(226,073)
(18,051)	(18,051)	Payables	(14,523)	(14,523)
(225,445)	(212,263)		(264,698)	(240,596)

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date.

Financial Instruments Gains & Losses

	2023/24		2024/25	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income & Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income & Expenditure
	£000's	£000's	£000's	£000's
Interest revenue				
Financial assets measured at amortised cost	(7,212)	-	(6,532)	-
Other Financial assets measured at Fair Value through other comprehensive	-	-	-	-
Total Interest revenue	(7,212)	-	(6,532)	-
Interest Expense	5,632	-	7,641	-
Total	(1,580)	-	1,109	-

31. Nature and Extent of Risk Arising From Financial Instruments

Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.
- Interest rate risk - the possibility that the Council could pay higher costs on variable rate debt.
- Price risk - the possibility that the Council could lose money on its investments.
- Foreign exchange risk - the possibility that the Council could suffer losses on dealings with foreign enterprises.

Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. The Council manages these procedures for dealing with risk in the following ways:

- The requirements of the Code of Practice were formally adopted by the Council in 2002, and subsequent changes to the code have been adopted by the Council;
- The Council includes a section on Treasury Management in its financial standing orders;
- The Council approves annually in advance prudential indicators for the following three years;
- The Council's authorised borrowing limit was set at £500m in 2024/25
- Its maximum exposures to fixed and variable rates which were 100% for fixed rates and 50% for variable rates in 2024/25

Period	Lower Limit	Upper Limit
Up to 1 Year	0%	50%
1 Year to 2 Years	0%	50%
2 Years to 5 Years	0%	50%
5 Years to 10 Years	0%	75%
Over 10 Years	0%	100%

- Its maximum annual exposures to investments maturing beyond a year which was set at £30m for 2024/25
- An annual investment strategy was approved for 2024/25 which set out the criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These were reported as part of the Council's medium term financial plan and approved at Full Council on 19 February 2025 for 2024/25 and this information is available on the Council's website. These items are reported with the annual treasury management strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure.

Actual performance is also reported quarterly as part of the Council's quarterly budget monitoring to Councillors. During 2024/25 the Council stayed within all the above limits approved by Council. Actual performance is also reported after each year, as is a mid year update.

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's or Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum amount and time limit for investments in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

Additional selection criteria are also applied after this initial criteria is applied.

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. As at the balance sheet date there are no indicators of impairment that have not been accounted for.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

	Amount at 31 March 2025 £000's	Historical experience of default %	Adjustment for market conditions at 31 March 2025 %	Estimated maximum exposure to default at 31 March 2025 £000's	Estimated maximum exposure to default at 31 March 2024 £000's
	(a)	(b)	(c)	(a) * (c)	
Deposits with banks & financial institutions					
AAA rated counterparties	6,801	0.00%	0.00%	-	-
AA rated counterparties	-	0.02%	0.02%	-	-
A rated counterparties	387	0.00%	0.00%	-	-
BBB rated counterparties	-	0.14%	0.14%	-	-
Trade Receivables	16,497	2.55%	2.55%	420	362
Total	23,685			420	362

The Council does not generally allow credit for its trade receivables, such that £13.698m of the £16.497m balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

	31 March 2024 £000's	31 March 2025 £000's
Less than three months	6,635	9,079
Three to six months	1,972	1,642
Six months to one year	2,355	2,253
More than one year	656	724
Total	11,618	13,698

To offset the receivables outstanding the Council does have £1.162m of provisions.

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities based on the carrying value in the balance sheet is as follows:

	31 March 2024	31 March 2025
	£000's	£000's
Less than one year	(21,017)	(32,157)
Between one and two years	(7,788)	(30,269)
Between two and five years	(43,120)	(58,965)
Between five and ten years	(37,011)	(36,195)
Between ten and twenty years	(57,776)	(52,801)
More than twenty years	(40,682)	(39,789)
Total	(207,394)	(250,176)

The maturity analysis of financial assets based on the carrying value in the balance sheet is as follows:

	31 March 2024	31 March 2025
	£000's	£000's
Less than one year	58	-
Between one and two years	-	-
Between ten and twenty years	302	302
Total	360	302

Market Risk

The Council look to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

All investments undertaken during 2024/25 met the Council's criteria when the investment was made, in terms of the counterparty with whom the investment was made and was within the limit for that counterparty.

As at 31 March 2025 the Council held investments of £7.188m, based on the carrying value in the balance sheet, with institutions domiciled in the UK.

Interest rate risk - The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

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

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

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

All of the Council's borrowing and investments held during 2024/25 were at fixed interest rates.

There could be a risk that when the Council wishes to re-finance borrowings, interest rates could be higher and this could have an impact on the Council's finances. However, all new borrowing will only be undertaken after a options appraisal process. Interest rates on investments are at an all time low, with little prospect for an increase in the near future. However, investments will be kept short, to take advantage if and when interest rates do start to increase.

Price Risk

The Council does not generally invest in equity shares or marketable bonds, but does have shareholdings in Ipswich Buses Limited, which is wholly owned by the Council. Whilst these holdings are generally liquid, the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

Foreign Exchange Risk

The Council has no foreign exchange exposure.

32. Trust Funds

The Council acts as trustee for the two funds listed below. In neither case do the funds represent assets of the Council, and they have not been included in the Balance Sheet.

Ipswich Town Trust was set up to provide grants to local charities. The balance on this account as at 31 March 2025 was £12.706k (31 March 2024 £12.706k)

Mayor of Ipswich Relief Fund was set up to provide assistance in the event of an emergency. The balance on this account as at 31 March 2025 was £3.879k (31 March 2024 £3.879k)

The balances represent the trusts' assets that are held in bank accounts. There are no liabilities. The funds are not subject to audit by the Council's auditors, Ernst & Young LLP.

33. Capitalisation of Borrowing Costs

In 2024/25 the Council capitalised £0k of borrowing costs (2023/24 £0k).

34. Pensions

Participation in pensions 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 actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension scheme, which is administered locally by Suffolk County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level to balance the balance liabilities with investment assets.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies.

The Fund's Actuary determined the Council's contribution to the Fund for 2024/25. The contribution rate equates to approximately 23% of pay. As at the date of the most recent valuation, the duration of the Employer's funded obligations is 17 years.

The actuarial valuation of the fund's liabilities as at 31 March 2025, in accordance with International Accounting Standard (IAS) 19, was completed in April 2025 by Hymans Robertson, who are an independent firm of actuaries.

A further report was obtained from them to calculate the Asset Ceiling as the pension funds assets were greater than its liabilities. This accounting adjustment, as directed by IAS19 and IFRIC14, results in a balance deficit although the Fund itself is in surplus.

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II (Limited)*) ruled that certain historic amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal. The Local Government Pension Scheme is a contracted out defined 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, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Ipswich Borough Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Transactions relating to retirement benefits

We recognise 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 we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

2023/24 £000's	Local Government Pension Scheme Comprehensive Income and Expenditure Statement	2024/25 £000's
	<i>Net Cost of Services:</i>	
6,033	- Current Service Cost	5,590
-	- Past Service Cost	141
-	- Settlements & Curtailments	-
	<i>Net Operating Expenditure:</i>	
(2,693)	- Net Interest Expense/(Income)	(42)
3,340	<i>Net Charge to the Surplus or Deficit on the Provision of Services</i>	5,689
(28,438)	- Return on Plan Assets	(1,695)
(1,879)	- Actuarial Gains and Losses arising on changes in demographic assumptions	(515)
(16,267)	- Actuarial Gains and Losses arising on changes in financial assumptions	(43,579)
9,653	- Other experience	(2,701)
40,694	- Pension Asset Ceiling Adjustment	63,273
7,103	<i>Net Charge to the Comprehensive Income and Expenditure Statement</i>	20,472
	<i>Movement in Reserves Statement:</i>	
3,763	- Reversal of Net Charges made to the Surplus or Deficit on the provision of Services for retirement benefits in accordance with IAS19	1,806
	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	
7,103	- Employer's Contributions payable to scheme	7,495

Pensions Assets and liabilities Recognised in the balance sheet (limited by the asset ceiling)

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

2023/24 £000's	Funded Liabilities: Local Government Pension Scheme	2024/25 £000's
(294,588)	Present value of the defined benefit obligation	(256,829)
391,438	Fair value of plan assets	408,669
96,850	Sub-total	151,840
(96,850)	Effect of the Pension Asset Ceiling Adjustment	(164,817)
-	Net Asset /(Liability) arising from defined benefit obligation	(12,977)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

2023/24 restated £000's		2024/25 £000's
350,078	Balance at 1 April	391,438
16,544	Interest Income	18,891
	Remeasurement gains/(losses)	
	The return on plan assets, excluding the amount included in the net	
28,438	interest expense	1,695
7,103	Contributions from employer	7,495
1,966	Contributions paid by scheme participants	2,065
(12,691)	Benefits paid	(12,915)
391,438	Balance at 31 March	408,669

Reconciliation of the Present Value of Scheme Liabilities

2023/24 £000's		2024/25 £000's
293,922	Balance at 1 April	294,588
6,033	Current Service Cost	5,590
-	Past Service Cost	141
13,851	Interest cost	14,155
1,966	Contributions paid by scheme participants	2,065
	Remeasurement gains/(losses)	
	- Actuarial Gains and Losses arising on changes in demographic	
(1,879)	assumptions	(515)
	- Actuarial Gains and Losses arising on changes in financial	
(16,267)	assumptions	(43,579)
9,653	- Other experience	(2,701)
(12,691)	Benefits paid	(12,915)
294,588	Balance at 31 March	256,829

Calculation of the Pension Asset Ceiling for 2024/25

The Pension Asset Ceiling is calculated by working out the difference of the present value (PV) of future employer's contributions and the present value (PV) of employer's future costs. If the PV of future service costs is **less** than future contribution then the Asset Ceiling is set at **£0**.

2023/24 £000's	Calculation	2024/25 £000's
(5,299)	PV Future employer's cost	(3,949)
<u>5,972</u>	PV Future employer's contributions	<u>6,305</u>
673	Amount by which future contributions exceed future costs	2,356
<u>0</u>	Asset Ceiling	<u>0</u>
Reconciliation of the effect of the asset ceiling		
(56,156)	Previous Years Adjustment	(96,850)
96,850	Net Asset arising from defined benefit obligation	160,123
<u>(40,694)</u>	Pension Asset Ceiling Adjustment	<u>(63,273)</u>

This Pension Asset Ceiling adjustment appears in the Comprehensive Income and Expenditure Statement , and is included under Other Comprehensive Income and Expenditure in the Actuarial (gains) / losses on pension assets/liabilities line.

Local Government Pension scheme assets comprised

Fair value of the scheme assets:

2023/24 restated £000's		2024/25 £000's
4,046	Cash and Cash Equivalents	3,144
	Equity Instruments (By Industry type)	
-	- Consumer	-
-	- Manufacturing	-
-	- Energy and Utilities	-
-	- Financial Institutions	-
-	- Health and Care	-
-	- Information Technology	-
-	- Other	-
-	Total Equity	-
	Bonds (By Sector)	
92,406	- Corporate Bonds	113,668
-	- UK Government	-
-	- Other	-
92,406	Total Bonds	113,668
	Property	
28,417	- UK Property	27,779
-	- Overseas Property	7,793
28,417	Total Property	35,572
15,537	Private Equity	13,202
	Investment Funds and Unit Trusts	
180,662	- Equities	190,355
14,504	- Bonds	-
6,450	- Hedge Funds	-
-	- Commodities	-
36,447	- Infrastructure	39,719
12,969	- Other	13,008
251,032	Total Investment Funds and Unit Trusts	243,082
	Derivatives	
-	- Foreign Exchange	-
391,438	Total Assets	408,669

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The Council's underlying assets and liabilities for retirement benefits at 31 March are shown above. These Liabilities represent the long-term underlying commitment that the Council has to pay retirement benefits.

Liabilities have been assessed using the projected unit method, an estimate of the pensions that will be payable in future years, based on assumptions about mortality rates and salary levels. The actuary determines the rate of employer contribution over the remaining working life of employees necessary to meet all liabilities.

The main assumptions used in their calculation are: -

Local Government Pension Scheme	2023/24	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.0 years	20.9
Women	24 years	24 years
Longevity at 65 for future pensioners:		
Men	21.8 years	21.7 years
Women	25.7 years	25.6 years
Rate of increase in salaries	3.75%	3.75%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities	4.85%	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous accounting period.

Changes in assumptions as at 31 March 2025

	Approximate % increase to Employer Liability	Approximate monetary amount (£000's)
0.1% decrease in Real Discount Rate	2%	4,246
1 year increase in member life expectancy	4%	10,273
0.1% increase in the Salary Increase Rate	0%	167
0.1% increase in the Pension Increase Rate (CPI)	2%	4,196

The assets of the scheme are held separately from those of the company, being managed by an independent investment manager. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

It is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 2025/26 is £7.15m.

The Fund Actuary, using information provided by the scheme and assumptions determined by the Council in conjunction with the actuary, has provided the above figures. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of the actuarial calculations may be affected by uncertainties within a range of possible values.

Further information can be found in Suffolk County Council's Pension Fund Annual Report, which is available upon request from: The Head of Finance, Endeavour House, Ipswich IP1 2BX.

HRA INCOME AND EXPENDITURE STATEMENT

The HRA Income & Expenditure Statement shows the economic cost of providing housing services in accordance with generally accepted accounting practices, rather than the amount funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the HRA Statement.

2023/24 £000's	Note	2024/25 £000's
(37,666) Gross Rent Income - Domestic	H1 & H2	(41,462)
(1,119) Gross Rent Income - Commercial		(1,298)
(956) Charges for Services & Facilities		(865)
(219) Contributions from the General Fund		(219)
(39,960) Total Income		(43,844)
12,006 Repairs & Maintenance		12,683
10,001 Supervision and Management		10,600
435 Rents, Rates and Taxes		377
11,024 Depreciation and Impairment of Non-Currents Assets		12,463
21 Debt Management Costs		22
(29) Movement in the allowance for Bad Debts		(30)
33,458 Total Expenditure		36,115
(6,502) Net Expenditure / (Income) of HRA Services per Comprehensive Income & Expenditure Statement		(7,729)
205 HRA services share of Corporate and Democratic Core		206
(6,297) Net Expenditure / (Income) of HRA Services		(7,523)
HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
(1,343) (Gain) / Loss on sale of HRA Non-Current Assets		(916)
3,234 Interest Payable & Similar Charges		3,450
(2,395) HRA Investment & Interest Income		(1,106)
(502) Net interest on the defined benefit liability		(8)
- Government Grants		(10,622)
(7,303) (Surplus) / Deficit for Year on HRA Services		(16,725)

MOVEMENT ON THE HRA STATEMENT

2023/24 £000's	2024/25 £000's
(5,626) Balance on the HRA at the end of the previous year	(3,229)
(7,303) (Surplus) / Deficit for the year on the HRA Income & Expenditure Statement	(16,725)
15,645 Adjustments between accounting basis and funding basis under statute	29,899
8,342 Net Increase / (Decrease) before transfers to or from Reserves	13,174
(5,945) Transfers to/(from) Reserves	(15,990)
2,397 (Increase)/Decrease in year on the HRA	(2,816)
(3,229) Balance on the HRA at the end of the current year	(6,045)

HRA adjustments between accounting basis and funding basis under regulations are detailed in Note 7.

HRA transfers to or from Earmarked Reserves are detailed in Note 12.

NOTES TO THE HOUSING REVENUE ACCOUNT

H1 Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. During the year, 0.54% of lettable properties were vacant (0.86% in 2023/24). Typical rents were £102.79 per week in 2024/25 representing a Increase of £9.1 or 9.71% over the previous year.

H2 Rent Rebates

Assistance with rents is available under the Housing Benefits Scheme for those on low incomes. About 25% of the rents collected are made up of benefits paid to tenants (28.7% in 2023/24).

H3 Rent Arrears

During the year, 2024/25 rent arrears as a proportion of gross rent income have decreased from 3.02% of the amount due to 2.01%.

2023/24		2024/25
£000's		£000's
1,138	Arrears at 31 March	832

Amounts written off during the year amounted to £158936.79.

The Housing Revenue Account received a contribution from the provision for bad debts account of £29814.43 in 2024/25, and the aggregate provision for uncollectable debts, as at 31 March 2025 amounted to £508130.25. The provision has decreased due to favourable changes in the debt profile.

H4 Transfers to/from HRA Earmarked Reserves

The transfers to and from the Housing Revenue Account Earmarked reserves are detailed in Note 12.

H5 HRA Assets

The balance sheet value of the HRA assets is shown below.

2023/24		2024/25
£000's		£000's
541,839	Council Dwellings	570,465
17,489	Other Land & Buildings	17,977
1,060	Vehicles, Plant & Equipment etc.	1,505
25,914	Assets Under Construction	46,496
586,302	Total	636,443

The council dwellings included in the Balance Sheet are shown at Existing Use Social Housing Value, which represents 38% of their market value. Their Fair Value assuming vacant possession as at 31 March 2025 is £1,399,647,500. The vacant possession and Balance Sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents.

The depreciation charged on HRA assets is shown below.

2023/24			2024/25	
£000's			£000's	
5,947	Council Dwellings		6,203	
229	Other Land & Buildings		232	
124	Vehicles, Plant & Equipment etc.		197	
6,300	Total		6,632	

The total capital receipts generated during the year was:

2023/24			2024/25	
£000's			£000's	
4,490	Council Houses		4,004	
-	Other Land & Buildings		-	
4,490	Total		4,004	

2023/24			2024/25	
	Analysis of Dwellings in the HRA :-			
4,609	Houses/Bungalows		4,620	
2,638	Flats/Bedsits		2,645	
557	Sheltered Housing Units		557	
7,804	Total		7,822	

H6 Housing Revenue Account Capital Expenditure and Financing

2023/24			2024/25	
£000's			£000's	
29,473	Houses		46,063	
39	Other		-	
29,512	Total Expenditure		46,063	
8,966	Usable Capital Receipts		10,550	
7,728	Revenue Contributions to Capital Outlay		15,021	
11,121	Major Repairs Reserve		9,871	
-	Borrowing		-	
1,698	External Funding		10,622	
29,512	Total Financing		46,063	

H7 Major Repairs Reserve

The Major Repairs Reserve is now required to be established in relation to the Housing Revenue Account (HRA). The items credited to the Major Repairs Reserve are an amount equal to HRA depreciation for the year, and transfers from the HRA required by statutory provision. The former is debited to the Capital Adjustment Account and the latter to the HRA appropriations account. The amounts debited to the Major Repairs Reserve are expenditure for HRA capital purposes, where this is to be funded from the Major Repairs Reserve, and transfers to the HRA required by statutory provision. The former is credited to the Capital Adjustment Account and the latter to the HRA appropriations account.

2023/24 £000's		2024/25 £000's
(7,678)	Balance 1 April	(10,459)
(13,902)	Amounts transferred from HRA to Reserve	(12,322)
(21,580)	Income	(22,781)
11,121	Capital Expenditure funded by MRR	9,871
11,121	Expenditure	9,871
(10,459)	Balance 31 March	(12,910)

THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

Income and Expenditure Account

Council Tax 2023/24 £000's	Business Rates 2023/24 £000's	Total 2023/24 £000's		Council Tax 2024/25 £000's	Business Rates 2024/25 £000's	Total 2024/25 £000's
(85,234)	-	(85,234)	Local Taxes:	(89,837)	-	(89,837)
-	(53,885)	(53,885)	Council Tax	-	(57,033)	(57,033)
			Business Rates			
			Share of Estimated (Deficits) /			
			Surpluses:			
-	(206)	(206)	Suffolk County Council	-	445	445
-	(1,030)	(1,030)	Central Government	-	2,223	2,223
-	(824)	(824)	Ipswich Borough Council	-	1,779	1,779
(85,234)	(55,945)	(141,179)	Income	(89,837)	(52,586)	(142,423)
			Precepts & Demands:			
58,605	-	58,605	Suffolk County Council	61,990	-	61,990
15,494	-	15,494	Ipswich Borough Council	16,076	-	16,076
10,285	-	10,285	Suffolk Police and Crime Commissioner	10,874	-	10,874
			Business Rates:			
-	25,316	25,316	Payment to National Pool	-	27,361	27,361
-	5,063	5,063	Payment to Suffolk County Council	-	5,472	5,472
-	20,252	20,252	Payment to Ipswich Borough Council	-	21,889	21,889
-	183	183	Cost of Collection Allowance	-	183	183
-	1,230	1,230	Enterprise Zone Disregard	-	1,590	1,590
-	11	11	Renewable Energy Disregard	-	13	13
-	(1,434)	(1,434)	Provision for Business Rates Appeals	-	213	213
			Provision for Uncollectable			
			Amounts:			
552	-	552	Council Tax	574	-	574
-	435	435	Business Rates	-	(1,111)	(1,111)
			Write Offs:			
364	-	364	Council Tax	321	-	321
-	198	198	Business Rates	-	1,686	1,686
			Share of Estimated (Deficits) /			
			Surpluses:			
4	-	4	Suffolk County Council	(77)	-	(77)
(1)	-	(1)	Ipswich Borough Council	(20)	-	(20)
3	-	3	Suffolk Police and Crime Commissioner	(13)	-	(13)
85,306	51,254	136,560	Expenditure	89,725	57,296	147,021
72	(4,691)	(4,619)	(Surplus) / Deficit on Fund	(112)	4,710	4,598
			Movements in Year			

2023/24 £000's	2023/24 £000's	2023/24 £000's	Statement of Accumulated Balances	2024/25 £000's	2024/25 £000's	2024/25 £000's
284	137	421	Opening Balance on Fund	356	(4,554)	(4,198)
72	(4,691)	(4,619)	Movement during the year	(112)	4,710	4,598
356	(4,554)	(4,198)	Closing Balance on Fund	244	156	400

Council Tax 2023/24 £000's	Business Rates 2023/24 £000's	Total 2023/24 £000's	Collection Fund Balance Share	Council Tax 2024/25 £000's	Business Rates 2024/25 £000's	Total 2024/25 £000's
Council Tax:						
65	-	65	Ipswich Borough Council	44	-	44
248	-	248	Suffolk County Council	170	-	170
43	-	43	Suffolk Police and Crime Commissioner	30	-	30
Business Rates:						
-	(1,822)	(1,822)	Ipswich Borough Council	-	62	62
-	(455)	(455)	Suffolk County Council	-	16	16
-	(2,277)	(2,277)	Central Government	-	78	78
356	(4,554)	(4,198)	Collection Fund Balance Deficit / (Surplus)	244	156	400

NOTES TO THE COLLECTION FUND

C1 General

This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing Council in relation to Non-Domestic Rates and Council Tax and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with other accounts of the Council.

C2 Income from Council Tax

The Council set a charge of £407.43 per band D property. Its tax base, i.e. the number of chargeable dwellings in each valuation band, is as follows:

	Number of Chargeable Dwellings	Proportion of Band D Tax	Band D Equivalent Number of Dwellings
Band A Reduced	30	5/9	16
Band A	16,287	6/9	10,858
Band B	20,842	7/9	16,210
Band C	10,445	8/9	9,285
Band D	4,115	1	4,115
Band E	2,136	11/9	2,611
Band F	900	13/9	1,300
Band G	347	15/9	578
Band H	13	18/9	25
	55,114		44,998

Contributions in Lieu (in respect of class "O" exempt dwellings)

-
44,998

Adjustment for changes:

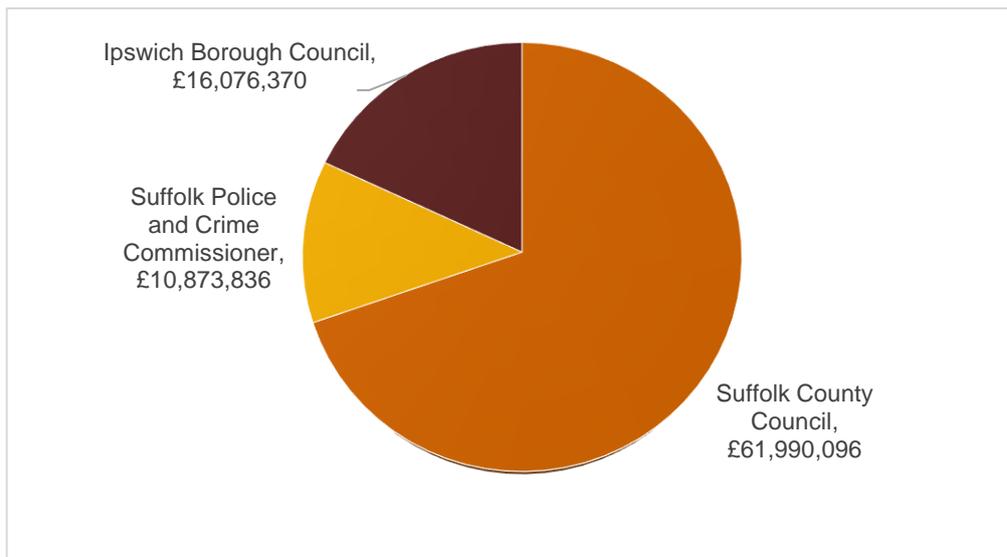
New Dwellings	387
Additional discounts, exemptions, appeals, etc.	(8)
Technical Changes	-
Discount Scheme	(5,521)
	39,857

Discounted by assumed collection rate of 99%

39,458

Part of the Council Tax collected pays for services provided by Suffolk County Council and the Suffolk Police Council. They precept on the Collection Fund for their share of the Council Tax.

In 2024/25 the precepts, shown in comparison with Ipswich Borough Council's share of Council Tax were:



C3 Income from Non-domestic Rates

The Council collects Non-domestic Rates for its area, which is based on local rateable values multiplied by the rates below. The total amount calculated less allowable reliefs and other deductions, is paid to a central pool managed by Central Government, which in turn pays back to authorities their share of the pool, based on a standard amount per head of adult population.

The non-domestic rateable value as at 31 March 2025 was £144.480m. The NDR Multiplier was 54.6p and the Small Business Multiplier was 49.9p.

C4 NDR Appeals Provision

The Non-domestic rates appeals provision is an estimate of the potential loss of business rates as a result of reductions of net rateable values from current outstanding appeals.

The Valuation Office Agency figures were 10 appeals outstanding with a total rating value of £4.943m in relation to 2017 valuation appeals. An independent rating consultant has reviewed all these claims and estimated the cumulative net loss to the collection fund of appeals back to 2017 to be approximately £0.178m.

In 2023 the business rates were revalued by Central Government so any new appeals will be from 2023. There are 78 appeals outstanding at year end with a total rating value of £8.782m. The independent rating consultant has estimated the loss on these to be £0.611m. They have also considered future appeals and have estimated their potential loss to be £3.844m

This gives a total estimated loss of approximately £4.633m for which provision has been made. Ipswich Borough Council's share is £1.853m (Ipswich Borough Council's share is 40% in 2024/25 (2023/24 40%).

GROUP ACCOUNTS

Introduction

The Accounting Code of Practice requires Local Authorities with material interests in subsidiary and associated companies to prepare group accounts. This is in accordance with paragraph 9.1.1.7 of the Code. A Local Council group comprises the Local Council and its interest in companies which would be regarded as its subsidiaries or associates if the Local Council was subject to the Companies Act.

Accounting Policies

The Accounting Policies, adopted for Group Accounts, are consistent with the main Accounting Policies.

Ipswich Buses Limited

Ipswich Buses Limited (incorporated 14 March 1986) runs the local buses. The following Directors of Ipswich Buses Ltd are members of Ipswich Borough Council: Cllr Inga Lockington and Cllr Peter Gardiner & the Chief Executive and Director (Operation & Place).

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Ipswich Buses reported a 52 week period ending 29 March 2025 as this is standard industry practice. The Council has no commitment to meet accumulated deficits or losses of Ipswich Buses Limited.

Copies of the published accounts of Ipswich Buses Limited for the period ended 29 March 2025 can be obtained from Ipswich Buses Limited, Constantine Road, Ipswich, IP1 2DL.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Buses Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £3.46m, representing the Council's share of Ipswich Buses shareholders' funds.

Ipswich Borough Assets Limited

The following Directors of Ipswich Borough Assets Ltd are members of Ipswich Borough Council: Cllr David Ellesmere (from 8/7/24) , Cllr Colin Kreidewolf. , Cllr Jane Riley (resigned 15/5/24). The Chief Executive, and the Director (Operation & Place).

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Ipswich Borough Assets Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipswich Borough Assets.

Copies of the published accounts of Ipswich Borough Assets Limited for the period ended 31 March 2025 can be obtained from Ipswich Borough Assets Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Borough Assets Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £20.883m, representing the Council's share of Ipswich Borough Assets shareholders' funds.

IPSERV Limited

The following Directors of Ipserv Ltd are members of Ipswich Borough Council: Cllr Lucy Trenchard (resigned 15/5/24) , Cllr Colin Kreidewolf and Cllr Cathy Frost (from 8/7/24). The Chief Executive, the Director (Operation & Place) and the Head of Human Resources are also Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

IPSERV Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of IPSERV.

Copies of the published accounts of Ipserv Limited for the period ended 31 March 2025 can be obtained from Ipserv Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipserv Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.203m, representing the Council's share of Ipserv's shareholders' funds.

Handford Homes Limited

The following Directors of Handford Homes Ltd are members of Ipswich Borough Council: Cllr Jane Riley (resigned 15/5/24) , Cllr Colin Kreidewolf and Cllr David Ellesmere (from 8/7/24). The Chief Executive, Director (Operations & Place) are also Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Handford Homes Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Handford Homes.

Copies of the published accounts of Handford Homes Limited for the period ended 31 March 2025 can be obtained from Handford Homes Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Handford Homes Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.155m, representing the Council's share of Handford Homes shareholders' funds.

Stage Event Security Limited

Stage Event Security Limited was acquired by Ipserv Ltd on 26 April 2018. The Director (Operations & Place) and the Head of Human Resources and Cllr Colin Kreidewolf (from 26/6/23) are also Company Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by Ipserv Limited. As the Council owns all the allotted shares of Ipserv Ltd, it therefore has a controlling influence.

Stage Event Security Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Stage Event Security.

Copies of the published accounts of Stage Event Security Limited for the period ended 31 March 2025 can be obtained from Stage Event Security Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Stage Event Security Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.106m, representing the Council's share of Stage Event Security's shareholders' funds.

IPSERV Direct Services Limited

Ipserv Direct Services Limited was incorporated on 18 December 2018. The following Directors of Ipserv Direct Services Ltd are members of Ipswich Borough Council: Cllr Lucy Trenchard (resigned 15/5/24) , Cllr Colin Kreidewolf and Cllr Cathy Frost (from 8/7/24). The Chief Executive, the Director (Operations & Place) and the Head of Human Resources are also Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

IPSERV Direct Services Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of IPSERV Direct Services.

Copies of the published accounts of Ipserv Direct Services Limited for the period ended 31 March 2025 can be obtained from Ipserv Direct Services Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in IPSERV Direct Services Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.018m, representing the Council's share of IPSERV Direct Services shareholders' funds.

Handford Lettings Limited

Handford Lettings Limited was incorporated on 1 November 2018. The following Director of Handford Lettings Ltd is a member of Ipswich Borough Council: Cllr Colin Kreidewolf. The Chief Executive and the Assistant Director of Housing (from 4/6/24) are also Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by Handford Homes which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

Handford Lettings Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Handford Lettings.

Copies of the published accounts of Handford Lettings Limited for the period ended 31 March 2025 can be obtained from Handford Lettings Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Handford Lettings Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.095m, representing the Council's share of Handford Lettings shareholders' funds.

Ipswich Borough Assets Developments Limited

Ipswich Borough Assets Developments Limited was incorporated on 21 January 2020. The following Directors of Ipswich Borough Assets Developments Limited are; Councillors of Ipswich Borough Council: Jane Riley (resigned 15/5/24) , Colin Kreidewolf and David Ellesmere (from 29/8/24). The Chief Executive, and the Director (Operations & Place) are also company Directors.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by Ipswich Borough Assets which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

Ipswich Borough Assets Developments Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipswich Borough Assets Developments Limited.

Copies of the published accounts of Ipswich Borough Assets Developments Limited for the period ended can be obtained from Ipswich Borough Assets Developments Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Borough Assets Developments Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.899m, representing the Council's share of Ipswich Borough Assets Developments shareholders' funds.

Ipserv Employers Limited

Ipserv Employers Limited was incorporated on 19 January 2022. The following Colin Kreidewolf (Ipswich Borough Councillor) , the Chief Executive and the Head of Human Resources are also Directors of Ipserv Employers limited.

As at 31 March 2025, all the allotted called up ordinary share capital of the Company was owned by Ipserv Ltd which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Ipserv Employers Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipserv Employers Limited.

Copies of the published accounts of Ipserv Employers Limited for the period ended can be obtained from Ipserv Employers Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipserv Employers Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.057m, representing the Council's share of Ipserv Employers Ltd shareholders' funds.

Group Accounting

The Group accounts for 2024/25 include Ipswich Buses, Ipswich Borough Assets, Ipserv, Ipserv Direct Services, Ipserv Employers Ltd, Handford Homes, Stage Event Security, Handford Lettings and Ipswich Borough Assets Developments.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement of different reserves held by the Group, analysed into usable reserves & other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Group Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council. See Note 7 for details of Adjustments between Accounting Basis and Funding under Regulations.

	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Movement in Reserves during 2023/24											
Balance at 1 April 2023	3,337	(15,782)	(825)	(5,626)	(33,819)	(15,661)	(7,678)	(9,656)	(85,710)	(575,869)	(661,579)
Surplus or (deficit) on the provision of services	(7,766)	-	-	(7,303)	-	-	-	-	(15,069)	-	(15,069)
Other Comprehensive Income and Expenditure	421	-	-	-	-	-	-	-	421	(29,983)	(29,562)
Total Comprehensive Income and Expenditure	(7,345)	-	-	(7,303)	-	-	-	-	(14,648)	(29,983)	(44,631)
Adjustments between accounting & funding basis	14,486	-	-	15,645	-	3,917	(2,781)	(6,465)	24,802	(24,802)	-
Net Increase/Decrease before Transfers to Earmarked Reserves	7,141	-	-	8,342	-	3,917	(2,781)	(6,465)	10,154	(54,785)	(44,631)
Transfers to/from Earmarked Reserves (Note 12)	315	(1,140)	825	(5,945)	5,945	-	-	-	-	-	-
Increase / Decrease in 2023/24	7,456	(1,140)	825	2,397	5,945	3,917	(2,781)	(6,465)	10,154	(54,785)	(44,631)
Balance at 31 March 2024 carried forward	10,793	(16,922)	-	(3,229)	(27,874)	(11,744)	(10,459)	(16,121)	(75,556)	(630,654)	(706,210)
Movement in Reserves during 2024/25											
Balance at 1 April 2024	10,793	(16,922)	-	(3,229)	(27,874)	(11,744)	(10,459)	(16,121)	(75,556)	(630,654)	(706,210)
Adjustment to opening balances arising from updated subsidiary information received in-year	748								748		748
Surplus or (deficit) on provision of services	21,335	-	-	(16,725)	-	-	-	-	4,610	-	4,610
Other Comprehensive Income and Expenditure	563	-	-	-	-	-	-	-	563	(9,633)	(9,070)
Total Comprehensive Income and Expenditure	21,898	-	-	(16,725)	-	-	-	-	5,173	(9,633)	(4,460)
Adjustments between accounting & funding basis	(20,115)	-	-	29,900	-	6,461	(2,451)	(890)	12,905	(12,905)	-
Net Increase/Decrease before Transfers to Earmarked Reserves	1,783	-	-	13,175	-	6,461	(2,451)	(890)	18,078	(22,538)	(4,460)
Transfers to/from Earmarked Reserves (Note 12)	88	(88)	-	(15,989)	15,989	-	-	-	-	-	-
Increase / Decrease in 2024/25	1,871	(88)	-	(2,814)	15,989	6,461	(2,451)	(890)	18,078	(22,538)	(4,460)
Balance at 31 March 2025 carried forward	13,412	(17,010)	-	(6,043)	(11,885)	(5,283)	(12,910)	(17,011)	(56,730)	(653,192)	(709,922)

GROUP 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. The Group raises 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.

2023/24			2024/25			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000's	£000's	£000's		£000's	£000's	£000's
			General Fund Services (GF)			
8,237	(4,248)	3,989	Leader - Place	30,259	(4,695)	25,564
2,195	(1,389)	806	Deputy Leader - Strategy & Transformation	2,230	(1,332)	898
2,656	(1,273)	1,383	Planning & Museums	6,402	(1,072)	5,330
12,268	(6,571)	5,697	Environment & Climate Change	12,732	(7,088)	5,644
4,546	(3,632)	914	Housing	7,195	(3,979)	3,216
12,654	(5,706)	6,948	Communities and Sport	11,305	(5,682)	5,623
40,104	(35,136)	4,968	Resources	41,744	(35,643)	6,101
14,712	(11,226)	3,486	Culture and Customers	7,531	(12,064)	(4,533)
33,664	(39,960)	(6,296)	Housing Revenue Account (HRA)	36,321	(43,844)	(7,523)
21,785	(18,635)	3,150	Group Companies	17,540	(13,464)	4,076
152,821	(127,776)	25,045	Cost Of Services	173,259	(128,863)	44,396
			(564) Government Housing Capital Receipts Pool			-
			(1,300) Gain/loss on disposal of non-current assets			(764)
			(66) Capital receipts not from disposal of assets			(183)
			(1,930) Other Operating Expenditure			(947)
			5,782 Interest payable and similar charges			7,683
			- Investment Impairment			-
			(2,693) Pensions interest /return on pension assets			(42)
			(2,098) Interest receivable & similar income			(1,187)
			6,402 Changes in fair value of investment properties			2,428
			(7,530) Investment properties income			(7,393)
			(137) Financing & Investment Income & Expenditure			1,489
			(15,483) Council tax income			(16,077)
			(26,460) Non domestic rates			(26,580)
			17,452 Non domestic rates tariff			18,152
			442 Non domestic rates levy			(76)
			(804) Non-ringfenced government grants			(1,253)
			(13,675) Capital grants and contributions			(15,051)
			(38,528) Taxation & Non-Specific Grant Income			(40,885)
			(15,550) (Surplus) / Deficit on Provision of Services			4,053
			481 Taxation			557
			(15,069) (Surplus) / Deficit on Provision of Services			4,610
			(33,746) (Surplus) / deficit on revaluation of non current assets			(24,415)
			- (Surplus) / deficit on revaluation of financial assets			-
			4,184 Actuarial (gains) / losses on pension assets / liabilities			15,346
			(29,562) Other Comprehensive (Income) / Expenditure			(9,069)
			(44,631) Total Comprehensive (Income) / Expenditure			(4,459)

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. 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 that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024	Note	31 March 2025	
£000's		£000's	
739,108	Property, Plant & Equipment	G1	791,657
71,445	Heritage Assets		71,586
112,359	Investment Property	G2	112,122
68	Intangible Assets		30
103	Long Term Investments	G3	50
-	Long Term Receivables		736
-	Other Long Term Assets		-
923,083	Long Term Assets		976,181
1,121	Short Term Investments		-
731	Inventories	G4	717
41,600	Short Term Receivables	G5	25,106
8,638	Cash and Cash Equivalents	G6	10,190
474	Assets held for sale		528
52,564	Current Assets		36,541
(22,269)	Short Term Borrowing	G7	(33,092)
(56,780)	Short Term Payables	G8	(34,818)
-	Grants Receipts in Advance		-
(2,410)	Provisions		(2,450)
(81,459)	Current Liabilities		(70,360)
(1,265)	Long Term Payables		(1,115)
(88)	Provisions		(90)
(186,393)	Long Term Borrowing	G9	(218,018)
(234)	Other Long Term Liabilities		(13,217)
-	Capital Grants Receipts in Advance		-
(187,980)	Long Term Liabilities		(232,440)
706,208	Net Assets		709,922
(75,554)	Usable Reserves		(56,730)
(630,654)	Unusable Reserves		(653,192)
(706,208)	Total Reserves		(709,922)

GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group 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 Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2023/24		2024/25
£000's		£000's
(15,070)	Net (surplus) or deficit on the provision of services	4,610
(9,821)	Depreciation	(10,498)
(13,380)	Impairment and downward valuations	(28,750)
(44)	Amortisation	(45)
(13,727)	(Increase) / decrease in payables	7,660
16,198	Increase / (decrease) in receivables	(4,908)
(89)	Increase / (decrease) in inventories	(14)
3,876	Movement in pension liability	1,976
(7,198)	Carried forward non-current assets & non-current assets held for sale, sold or de-recognised	(4,463)
1,335	Other non-cash items charged to net surplus/deficit on the provision of services	(1,522)
(22,850)	Total non cash movements	(40,564)
8,565	Sale of property, plant & equipment, investment property and intangible	5,441
4,822	Other items for which the cash effects are investing/financing cashflows	15,385
13,387	Adjust for investing and financing activities	20,826
(24,533)	Net cash flows from Operating Activities	(15,128)
49,652	Purchase of property, plant & equipment, investments & intangible assets	77,159
166,209	* Purchase of short-term and long-term investments	-
9,009	Other payments for investing activities	-
(8,604)	Sale of property, plant and equipment, investments, intangible assets & non-current assets held for sale	(5,533)
(174,075)	* Proceeds from short-term and long-term investments	(219)
(14,731)	Other receipts from investing activities	(15,433)
27,460	Net cash flows from investing activities	55,974
(13,785)	Cash receipts of short-term and long-term borrowing	(62,000)
808	Cash receipts from financing activities	-
53	Cash payments for the reduction of the outstanding liabilities relating to financial leases	1
8,583	Repayments of short-term & long-term borrowing	18,958
965	Other payments for financing activities	643
(3,376)	Net cash flows from financing activities	(42,398)
3,494	Net (increase) or decrease in cash and cash equivalents	(1,552)
(12,132)	Cash and cash equivalents at the beginning of the reporting period	(8,638)
(8,638)	Cash and cash equivalents at the end of the reporting period	(10,190)

Note * The 24/25 figures now exclude the gross movement on treasury management daily cash flows and only show those movements considered as investments activities under the CIPFA Code (para 3.4.2.76)

G1 Group Property, Plant and Equipment

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2023/24								
Cost or Valuation	541,839	110,073	18,911	1,549	9,974	2,444	63,644	748,434
Accumulated Depreciation and Impairment	0	(1,163)	(9,191)	(960)	0	0	0	(11,314)
Net Book Value: Ipswich Borough Council	541,839	108,910	9,720	589	9,974	2,444	63,644	737,120
Cost or Valuation	-	-	7,256	-	-	-	-	7,256
Accumulated Depreciation and Impairment	-	-	(5,294)	-	-	-	-	(5,294)
Net Book Value: Ipswich Buses Ltd	-	-	1,962	-	-	-	-	1,962
Cost or Valuation	-	-	214	-	-	-	-	214
Accumulated Depreciation and Impairment	-	-	(190)	-	-	-	-	(190)
Net Book Value: Ipserv Ltd	-	-	24	-	-	-	-	24
Cost or Valuation	541,839	110,073	26,381	1,549	9,974	2,444	63,644	755,904
Accumulated Depreciation and Impairment	-	(1,163)	(14,675)	(960)	-	-	-	(16,798)
Group Net Book Value at 31 March 2024	541,839	108,910	11,706	589	9,974	2,444	63,644	739,106
2024/25	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or Valuation	570,465	127,415	20,187	1,549	10,072	2,298	70,350	802,336
Accumulated Depreciation and Impairment	-	(1,266)	(10,729)	(1,029)	-	-	-	(13,024)
Net Book Value: Ipswich Borough Council	570,465	126,149	9,458	520	10,072	2,298	70,350	789,312
Cost or Valuation	-	-	7,754	-	-	-	-	7,754
Accumulated Depreciation and Impairment	-	-	(5,439)	-	-	-	-	(5,439)
Net Book Value: Ipswich Buses Ltd	-	-	2,315	-	-	-	-	2,315
Cost or Valuation	-	-	11	-	-	-	-	11
Accumulated Depreciation and Impairment	-	-	-	-	-	-	-	-
Net Book Value: Stage	-	-	11	-	-	-	-	11
Cost or Valuation	-	-	219	-	-	-	-	219
Accumulated Depreciation and Impairment	-	-	(201)	-	-	-	-	(201)
Net Book Value: Ipserv Ltd	-	-	18	-	-	-	-	18
Cost or Valuation	570,465	127,415	28,171	1,549	10,072	2,298	70,350	810,320
Accumulated Depreciation and Impairment	-	(1,266)	(16,369)	(1,029)	-	-	-	(18,664)
Group Net Book Value at 31 March 2025	570,465	126,149	11,802	520	10,072	2,298	70,350	791,656

G2 Group Investment Properties

31 March 2024		31 March 2025
£000's		£000's
11,909	Ipswich Borough Council Investment Properties	10,162
100,450	Ipswich Borough Assets Limited Investment Properties	101,960
112,359	Group Total	112,122

G3 Group Long Term Investments

31 March 2024		31 March 2025
£000's		£000's
302	Ipswich Borough Council Long Term Investments	302
53	Ipswich Borough Assets Long Term Investments	-
(252)	Less intra Group Investments	(252)
103	Group Total	50

G4 Group Inventories

31 March 2024		31 March 2025
£000's		£000's
533	Ipswich Borough Council Inventories	543
198	Ipswich Buses Inventories	174
-	Ipswich Borough Assets Long Inventories	-
731	Group Total	717

G5 Group Short Term Receivables

31 March 2024		31 March 2025
£000's		£000's
7,181	Central government bodies	4,920
4,421	Other local authorities	6,203
(34)	NHS bodies	182
4,264	IBC Subsidiaries	5,472
	Other entities and individuals:	
6,606	Sundry Receivables	6,078
2,110	Council Tax	2,338
1,879	Non Domestic Rates	1,009
1,138	Housing Rents	832
27,565		27,034
	Less Provision for Bad Debts:	
(716)	Sundry Receivables	(654)
(1,113)	Council Tax	(1,198)
(791)	Non Domestic Rates	(346)
(743)	Housing Rents	(508)
24,202	Ipswich Borough Council Total	24,328
1,601	Ipswich Buses Limited	1,260
3,365	Ipswich Borough Assets Limited	2,223
1	Ipswich Borough Assets Development	-
825	Ipserv Limited	438
436	Ipserv Direct Services Limited	191
9,070	Handford Homes Limited	4,739
51	Handford Homes Lettings	54
173	Stage Event Security Limited	219
59	Ipserv Employers Ltd	56
1,817	Less intra Group receivables	(8,402)
41,600	Group Total	25,106

G6 Group Cash and Cash Equivalents

31 March 2024		31 March 2025
£000's		£000's
272	Cash held by officers	145
(1,452)	Bank current accounts	2,807
(1,180)	Ipswich Borough Council Total	2,952
1,795	Ipswich Buses Limited cash and bank balances	2,050
5,093	Ipswich Borough Assets Limited cash and bank balances	4,183
-	Ipswich Borough Assets Development cash and bank balances	1
373	Ipserv Limited cash and bank balances	293
81	Ipserv Direct Services Limited cash and bank balances	25
2,397	Handford Homes Limited cash and bank balances	518
26	Handford Lettings cash and bank balances	27
16	Stage Event Security Limited cash and bank balances	137
37	Ipserv Employers Ltd	4
8,638	Group Total	10,190

G7 Group Short Term Borrowing

31 March 2024		31 March 2025
£000's		£000's
(21,017)	Ipswich Borough Council	(32,157)
(188)	Ipswich Buses Limited	(16)
(115)	Ipswich Borough Assets Limited	(750)
(842)	IBA Development	(895)
(377)	Ipserv Limited	(24)
-	Ipserv Direct	-
-	Handford Lettings	(100)
-	Stage Event Security Limited	-
270	Less intra Group Short Term Borrowing	850
(22,269)	Group Total	(33,092)

G8 Group Short Term Payables

31 March 2024		31 March 2025
£000's		£000's
(8,974)	Central government bodies	(4,475)
(2,577)	Other local authorities	(2,224)
(14)	NHS bodies	39
(6,236)	IBC Subsidiaries	(3,010)
	Other entities and individuals	
(13,068)	Sundry Payables	(11,053)
(1,122)	Council Tax	(1,265)
(1,131)	Non Domestic Rates	(1,971)
(1,036)	Housing Rents	(1,604)
(34,158)	Ipswich Borough Council Total	(25,563)
(1,579)	Ipswich Buses Limited	(1,649)
(6,668)	Ipswich Borough Assets Limited	(7,459)
(14)	Ipswich Borough Assets Development	(5)
(815)	Ipserv Limited	(551)
(512)	Ipserv Direct Services Limited	(200)
(10,502)	Handford Homes Limited	(5,176)
(181)	Handford Homes Lettings	(77)
(205)	Stage Event Security Limited	(262)
(174)	Ipserv Employers Ltd	(118)
(1,972)	Less intra Group Payables	6,244
(56,780)	Group Total	(34,816)

G9 Group Long Term Borrowing

31 March 2024		31 March 2025
£000's		£000's
(186,377)	Ipswich Borough Council	(218,018)
(380)	Ipswich Buses Limited	(252)
(121,539)	Ipswich Borough Assets Limited	(120,789)
-	Ipswich Borough Assets Development	-
-	Ipserv Limited	-
-	Handford Homes Limited	-
121,903	Less intra Group Borrowing	121,041
<u>(186,393)</u>	Group Total	<u>(218,018)</u>

GLOSSARY OF FINANCIAL TERMS

Accounting Period

The period of time covered by the accounts, normally a period of twelve months, commencing on 1 April for Local Council accounts.

Accruals

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

Capital Charges

A charge to revenue accounts, including depreciation where appropriate, to reflect the use of non-current assets in the provision of services.

Capital Expenditure

Expenditure on capital assets which have a long term value to the Council e.g. land, buildings and equipment (known as non-current assets) or the payment of grants to other people for the purchase or improvement of capital assets.

Capital Receipts

Proceeds arising from the sale of capital assets or from the repayment to the Council of capital grants and loans. A proportion of capital receipts may be used to finance additional capital spending.

Collection Fund

The Collection Fund brings together income from council tax, and business ratepayers. From this fund the Borough, County Council's and Police Commissioner precept for their annual net expenditure.

Depreciation

A measure of the cost of the wearing out of a non-current asset, through wear and tear, deterioration or obsolescence.

General Fund (GF)

The Council's main account, which includes all services except Council Housing and the Council's Trading Services. The net expenditure on the account is financed from Government Revenue Support Grant, Non-Domestic Rates and Council Tax.

Government Grants

Payments by Central Government towards Local Council expenditure. They may be specific e.g. Housing Benefits, or general e.g. Revenue Support Grant.

Housing Revenue Account (HRA)

This account covers the provision of Council houses, including supervision and management and repairs and maintenance. There is a statutory requirement to keep this account separate from those of other services, including other housing services.

Infrastructure Assets

A type of non-current asset, for example street lighting and sewers.

Minimum Revenue Provision (MRP)

A prudent sum is required by law to be set aside from revenue for the repayment of loan debt.

Net Book Value

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

Precept

The amount, which a Precepting Council (i.e. a County Council) requires from a Charging Council (Borough/District Council) to meet its expenditure requirements (from the Council Tax collected on behalf of the Precepting Council).

Provision

An amount set aside in a separate account to cover known likely losses. An example of a provision is the Insurance Provision.

Reserves

An amount set aside in a separate account for future use. Reserves may be capital (can only be used for capital purposes) or revenue (can only be used by revenue accounts). Reserves can be earmarked for a specific purpose or classified as general i.e. not earmarked for a particular purpose, for example the general fund revenue balance.

Revenue Expenditure Funded from Capital Under Statute

Expenditure that is classified as capital for funding purposes which does not result in the expenditure being carried on the balance sheet as a non-current asset.

Section 151 Officer

The officer with specific legal responsibility for the financial matters of a local authority.

Work in Progress

The cost of work done on an uncompleted project at a specified date (in the Statement of Accounts, this is the financial year-end date), which has not been recharged to the appropriate account at that date.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPSWICH BOROUGH COUNCIL

Disclaimer of Opinion

We were engaged to audit the financial statements of Ipswich Borough Council (the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2025. The financial statements comprise the:

- Council and Group Movement in Reserves Statement,
- Council and Group Comprehensive Income and Expenditure Statement,
- Council and Group Balance Sheet,
- Council and Group Cash Flow Statement,
- the related notes 1 to 34 of the Council and notes G1 to G9 of the Group including material accounting policy information.
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, and the related notes H1 to H7.
- Collection Fund and the related notes C1 to C4.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the accompanying financial statements of the Group and the Council. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) ("the Regulations") which came into force on 30 September 2024 required the accountability statements for the year ended 31 March 2025 to be approved not later than 27 February 2026 ('the backstop date').

Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.

As a result of the disclaimers of opinion on the financial statements in the prior years and the scope of our audit work, which was impacted by the backstop dates, we do not have sufficient appropriate audit evidence over:

- additions of property, plant and equipment during 2022/23 amounting to £36.015 million, not subsequently revalued, and the consequential impact of these unaudited amounts on the Comprehensive Income and Expenditure Statement;
- the valuation of council dwellings, other land and buildings and surplus assets included within property, plant and equipment that were revalued in the financial year 2022/23, amounting to £572.882 million, and the consequential impact of these on the Comprehensive Income and Expenditure Statement; and
- the total of reserves and their classification except for the pensions reserve, collection fund adjustment account and the accumulated absences reserve, amounting to £672.861 million.

In addition:

- due to the Council's inability to support the audit in advance of the backstop date we have been unable to complete our audit procedures and obtain assurance over £2.271 million included in the short-term payables balance of £25.563 million and £2.163 million included in total income of £43.844 million in the Housing Revenue Account; and
- as disclosed in Note 34, the Council did not apply the IAS 19 asset ceiling requirements set out in IFRIC 14 *The Limit on a Defined Benefit Asset*, when preparing the comparative information for the year ended 31 March 2024. The Council recognised the gross IAS 19 pension surplus as an asset without assessing whether economic benefits were available in the form of refunds or reductions in future contributions, as required by IAS 19 and IFRIC 14.

Application of the asset ceiling would have resulted in the recognition of an estimated pension liability of £14.838 million at 31 March 2024 rather than the pension asset of £40.694 million reported by the Council. Accordingly, the Council overstated pension assets and understated remeasurement losses in Other Comprehensive Income by an estimated total of £55.532 million in the comparative information. Management has not restated the prior-year comparative figures for this error. In our opinion, the omission of this adjustment results in the comparative information being materially misstated.

Therefore, we are disclaiming our opinion on the financial statements.

The audits of the financial statements for the years ended 31 March 2023 and 31 March 2024 for Ipswich Borough Council were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 25 November 2024 and 26 February 2025 respectively.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit, performed subject to the pervasive limitation described above, or our knowledge of the Group and the Council.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Group and the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer (Section 151 Officer)

As explained more fully in the Statement of the Chief Financial Officer's (Section 151 Officer) Responsibilities set out on page 13, the Chief Financial Officer (Section 151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the Group and Council financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer (Section 151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer (Section 151 Officer) is responsible for assessing the Group and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Council either intends to cease operations, or has no realistic alternative but to do so.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group and the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group and the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether Ipswich Borough Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Ipswich Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Ipswich Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

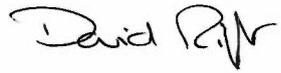
We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Ipswich Borough Council.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Ipswich Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or

assume responsibility to anyone other than the Group and Authority and the Group and Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "David Riglar". The signature is written in a cursive, slightly slanted style.

ERNST & YOUNG LLP

David Riglar (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Cambridge
19 February 2026