



St Edmundsbury
BOROUGH COUNCIL

B77

Council 29 June 2010

Report of the Performance and Audit Scrutiny Committee: 24 June 2010

1. Code of Corporate Governance

- 1.1 Corporate Governance is the framework within which the Council operates; every activity, transaction and decision is made within a specific procedural framework, and corporate governance is the 'glue binding' all of these practices together. The Council first produced a Code of Corporate Governance in September 2002, and it has been reviewed annually, together with compliance with the Code.
- 1.2 The last major changes to the Code took place in 2008. In March 2010 the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) framework document *'Application Note to Delivering Good Governance in Local Government; a Framework'* was issued, and at its meeting on 24 June 2010, the Committee considered proposed changes to the Code to bring it up to date with this new framework.
- 1.3 The Committee **RECOMMENDS** that the Code of Corporate Governance, as contained in Appendix A to Report B77, be approved.

2. Annual Governance Statement 2009/2010

- 2.1 The Council is required to produce and publish an Annual Governance Statement (AGS), which covers six laid down core governance principles, and is to be approved by full Council, and signed by the Leader of the Council and the Chief Executive Officer.
- 2.2 The AGS for 2009/2010 is presented along with the Statement of Accounts 2009/2010, and covers the Council's responsibilities in terms of the governance framework; St Edmundsbury's governance environment relating to the six laid down corporate governance principles; and the effectiveness of St Edmundsbury's arrangements and any significant areas of weakness identified, with proposed actions to address these.
- 2.3 The governance framework is designed to facilitate the achievement of the Council's policies, aims, and objectives, and to identify and manage risk to a reasonable level. The governance framework is embedded within the Constitution and the systems, policies, procedures and operations in place throughout the Council.

2.4 The Committee received and scrutinised a report setting out the detail supporting the Council's AGS. Members scrutinised the report, with particular emphasis on the adequacy of the governance framework outlined in Section 3 and Annex A of the AGS, the adequacy of the processes to review the effectiveness of internal control outlined in Section 4 of the AGS, and the result of the review of the effectiveness of the system of internal audit considered earlier on the agenda within Report B59. The Committee confirmed that the internal control assessment and proposed additional areas for improvement provided at Appendices 1 and 2 to the report were adequate. The Committee **RECOMMENDS:- That,**

- (1) **the Annual Governance Statement for 2009/2010, as included in the Statement of Accounts 2009/2010 attached to Report B77, be approved for issue with the Council's published accounts;**
- (2) **the internal control assessment and proposed additional areas for improvement (Assurance Framework and related Action Plan) at Appendices 1 and 2 of Report B60 be approved; and**
- (3) **the process used to compile the Annual Governance Statement and review of internal controls, as detailed in Report B59, be endorsed for application in future years.**

3. Statement of Accounts 2009/2010

3.1 The Committee scrutinised the Annual Statement of Accounts 2009/2010 as contained within Report B61.

3.2 The Committee examined the accounts in detail, seeking explanations on a range of areas including:-

- (a) the position of the Council's pension fund deficit;
- (b) clarification of budget variances; and
- (c) discussion of the impact on the Council's finances of the Government's recent public expenditure announcements (i.e. substantial reduction in Government grants).

3.3 No changes to the accounts were suggested by the Committee, however a small number of minor typographical amendments have been made to the document prior to its consideration by Council.

3.4 The Committee **RECOMMENDS that the Annual Statement of Accounts 2009/2010, as attached to Report B77, be approved.**

Contact:

John Hale, Chairman of Performance and Audit Scrutiny Committee (01359 221141)

Liz Watts, Chief Finance Officer (01284 757252)

Paul Farmer, Portfolio Holder, Resources and Efficiency (01284 768777)

Adriana Stapleton, Scrutiny Manager (01284 757613)

St Edmundsbury Borough Council

Code of Corporate Governance

Draft
last updated 26 May 2010
Approved – date to be added

Available in alternative formats

1. Introduction

- 1.1 This document sets out how St Edmundsbury aims to apply the principles of Corporate Governance. It has been developed in accordance with best practice outlined in the *Delivering Good Governance in Local Government Framework* and the *Application Note to Delivering Good Governance in Local Government: a Framework*, both published by Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 1.2 The council first published a Code of Corporate Governance in 2002. This has been subject to an annual review to ensure that it reflects best practice. As such, the council is committed to the principles of good governance and will maintain its commitment through the development, adoption and continued maintenance of this Code of Corporate Governance.
- 1.3 The council is required to develop and maintain an up-to-date Code of Corporate Governance and to prepare an Annual Governance Statement (AGS) in order to report publicly on the extent to which the council complies with this Code.

2. Defining governance

- 2.1 CIPFA and SOLACE define governance as being about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 It comprises the systems and processes and cultures and values, by which the council is directed and controlled and through which it is accountable to, engages with and leads communities.
- 2.3 Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables the council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk and opportunity.

3. Principles of good governance

- 3.1 The council recognises the six core principles of good governance which are:
 1. focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area;
 2. members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 4. taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 5. developing the capacity and capability of members and officers to be effective; and
 6. engaging with local people and other stakeholders to ensure robust public accountability.

4. Applying the principles of good governance

4.1 CIPFA/SOLACE have identified that the six principles of good governance have a number of supporting principles, which in turn have a range of specific requirements that apply across the council's business. The following tables show how each of the principles should be applied. Compliance with these principles will be subject to annual review (see section 5 of the Code).

Principle 1: Focusing on the purpose of the council and on outcomes for the local community and creating and implementing a vision for the local area	
Supporting principle	The council is required to:
Exercising strategic leadership by developing and clearly communicating the council's purpose and vision and its intended outcome for citizens and service users	<p>Develop and promote the council's purpose and vision.</p> <p>Review on a regular basis the council's vision for the local area and its implications for the council's governance arrangements.</p> <p>Ensure that partnerships are underpinned by a common vision of the council's work that is understood and agreed by all partners.</p> <p>Regularly communicate the council's activities and achievements, its financial position and performance.</p>
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.	<p>Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.</p> <p>Put in place effective arrangements to identify and deal with failure in service delivery.</p>
Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money.	<p>Decide how value for money is to be measured and make sure that the council or partnership has the information needed to review value for money and performance effectively.</p> <p>Measure the environmental impact of policies, plans and decisions.</p> <p><i>Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.</i></p> <p><i>Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.</i></p> <p><i>Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.</i></p>

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles	
Supporting principle	The council is required to:
Ensuring effective leadership throughout the council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	<p>Within the Constitution:</p> <p>(i) set out a clear statement of the respective roles and responsibilities of the Cabinet and Portfolio Holders individually, and the council's approach towards putting this into practice; and</p> <p>(ii) set out a clear statement of the respective roles and responsibilities of other councillors, committees and senior officers.</p> <p><i>Ensure that the Chief Finance Officer reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.</i></p>
Ensuring that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.	<p>Determine the scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the council, taking account of relevant legislation, and ensure that it is monitored and updated when required.</p> <p>Make the Chief Executive responsible and accountable to the council for all aspects of operational management.</p> <p><i>Ensure that the authority's governance arrangements allow the Chief Finance Officer direct access to the Chief Executive and to other leadership team members.</i></p> <p>Develop protocols to ensure that the Leader and Chief Executive have a shared understanding of their roles and objectives.</p> <p>Make a senior officer (the s151 officer) responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.</p> <p>Appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority</p> <p><i>Ensure that the Chief Finance Officer:</i></p> <ul style="list-style-type: none"> • <i>leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;</i>

	<ul style="list-style-type: none"> • <i>has a line of professional accountability for finance staff throughout the organisation; and</i> • <i>ensures that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</i> <p><i>Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role.</i></p> <p>Make a senior officer (the Monitoring Officer) responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>
<p>Ensuring relationships between the council, its partners and public are clear so that each knows what to expect of the other.</p>	<p>Develop protocols to ensure effective communication between members and officers in their respective roles.</p> <p>Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable).</p> <p>Ensure that effective mechanisms exist to monitor service delivery.</p> <p>Ensure that the council's vision, strategic plans, proprieties and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.</p> <p><i>Establish a medium term business and financial planning process to deliver strategic objectives including:</i></p> <ul style="list-style-type: none"> • <i>a medium term financial strategy to ensure sustainable finances;</i> • <i>a robust annual budget process that ensures financial balance; and</i> • <i>a monitoring process that enables this to be delivered</i> <p><i>Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</i></p> <p>When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and the council.</p> <p>When working in partnership:</p> <ul style="list-style-type: none"> • Ensure that there is clarity about the legal status of the partnership • Ensure that representatives or organisations both

	understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.
--	--

Principle 3: Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Supporting principle	The council is required to:
Ensuring members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.	<p>Ensure that the council's leadership sets a tone for the organisation by creating a climate of openness, support and respect.</p> <p>Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the council, its partners and the community are defined and communicated through codes of conduct and protocols.</p> <p>Put in place arrangements to ensure that members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.</p>
Ensuring that organisational values are put into practice and are effective	<p>Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, officers, the community and partners.</p> <p>Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.</p> <p><i>Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</i></p> <p>Develop and maintain an effective standards committee.</p> <p>Use the council's shared values to act as a guide for decision-making and as a basis for developing positive and trusting relationships.</p> <p>In pursuing the vision of a partnership, agree a set of values against which decision-making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.</p>

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	
Supporting principle	The council is required to:
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	<p>Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the council's performance overall and that of any organisation for which it is responsible.</p> <p><i>Ensure an effective internal audit function is resourced and maintained.</i></p> <p>Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.</p> <p>Put in place arrangements to safeguard members and officers against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.</p> <p>Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other arrangements for the discharge of the functions of such a committee.</p> <p><i>Ensure that the authority's governance arrangements allow the Chief Finance Officer direct access to the Audit Committee and the Audit Commission.</i></p> <p>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.</p>
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	<p>Ensure that those making decisions whether for the council or the partnership are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications.</p> <p><i>Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.</i></p> <p>Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision-making and used appropriately.</p> <p><i>Ensure the authority's governance arrangements allow the Chief Finance Officer to bring influence to bear on all material decisions.</i></p> <p><i>Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.</i></p>

<p>Ensuring that an effective risk management system is in place</p>	<p>Ensure that risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their role.</p> <p><i>Ensure the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports.</i></p> <p><i>Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.</i></p> <p>Ensure that effective arrangements for whistle-blowing are in place to which officers, the public and all those contracting with or appointed by the council have access.</p>
<p>Using their legal powers to the full benefit of the citizens and communities in their area.</p>	<p>Actively recognise the limits of lawful activity placed on the council by, for example, the ultra vires doctrine, but also strive to utilise their powers to the full benefit of their communities.</p> <p>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on the council by public law.</p> <p>Observe all specific legislative requirements placed upon the council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into procedures and decision-making processes.</p>

Principle 5: Developing the capacity and capability of members and officers to be effective	
Supporting principle	The council is required to:
<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p>	<p>Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</p> <p>Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council.</p> <p><i>Ensure the Chief Finance Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role.</i></p> <p><i>Review the scope of the Chief Finance Officer's other management responsibilities to ensure financial matters</i></p>

	<p><i>are not compromised.</i></p> <p><i>Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</i></p>
<p>Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p>	<p>Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.</p> <p><i>Embed financial competencies in person specifications and appraisals.</i></p> <p><i>Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</i></p> <p>Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.</p> <p>Ensure that effective arrangements are in place for reviewing the performance of the council as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</p>
<p>Encouraging new talent for membership of the council so that best use can be made of individuals' skills and resources in balancing continuity and renewal.</p>	<p>Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the council.</p> <p>Ensure that career structures are in place for members and officers to encourage participation and development.</p>

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.	
Supporting principle	The council is required to:
<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<p>Ensure that members and officers understand their accountabilities to the community and this is clearly communicated.</p> <p>Consider those institutional stakeholders to whom the council is accountable and assess the effectiveness of the relationships and any changes required.</p> <p>Produce an annual report on the activity of the scrutiny function.</p>
<p>Taking an active and</p>	<p>Ensure that clear channels of communication are in</p>

<p>planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the council, in partnership or by commissioning.</p>	<p>place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.</p> <p>Hold meetings in public unless there are good reasons for confidentiality.</p> <p>Ensure that arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.</p> <p>Establish a clear policy on the types of issues the council will meaningfully consult on or engage with the public and services users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.</p> <p>On an annual basis, publish information on the council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.</p> <p>Ensure that the council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.</p>
<p>Making best use of human resources by taking an active and planned approach to meet responsibility of staff.</p>	<p>Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.</p>

5. Annual review and reporting

- 5.1 Each year the council will carry out a review of its governance arrangements using the above principles as a guide. The review will ensure compliance with this Code and any emerging good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively, and where any gaps are observed, to identify action which is planned to ensure effective governance in the future.
- 5.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader of the Council and Chief Executive. It will be submitted to the Performance and Audit Scrutiny Committee for consideration and review. The Annual Governance Statement will contain an action plan to address any areas identified for improvement from the review. An annex of the Annual Governance Statement will detail the principles and supporting principles, together with links to the key documents established by St Edmundsbury to support the application of this Code.

5.3 The preparation and publication of the Annual Governance Statement meets the statutory requirement of the Accounts and Audit Regulations which require authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control' and to prepare the statement 'in accordance with proper practices'.

6. Conclusion

6.1 St Edmundsbury Borough Council is fully committed to the principles of corporate governance, and through the measures outlined within this Code, will ensure that adequate arrangements are made with regard to its continued implementation, monitoring and review.

Contacts:

Davina Howes, Policy, Performance and Customer Service Manager
Policy Unit – 01284 757070
Code of Corporate Governance

Jon Snares, Internal Audit Manager
Internal Audit – 01284 757239
Annual Governance Statement and Code of Corporate Governance

**St Edmundsbury Borough Council
June 2010**



St Edmundsbury
BOROUGH COUNCIL



Contents

About Us	03
Introduction by Chief Executive and Portfolio Holder	04
Statement of Responsibilities for the Statement of Accounts	06
Financial Commentary by Chief Finance Officer	07
Explanatory Foreword	15
Statement of Accounting Policies	16

Core Financial Statements 25

Income and Expenditure Account	26
Statement of the Movement on the General Fund Balance	27
Statement of Total Recognised Gains and Losses (STRGL)	29
Balance Sheet	30
Cash Flow Statement	31
Schedule of Notes to the Core Financial Statements	32
Notes to the Core Financial Statements	33

Supplementary Financial Statements 77

Collection Fund	78
Notes to the Collection Fund	79
Payment to Councillors 2009/10	81

Glossary 83

Environmental Statement 89

Annual Governance Statement 101

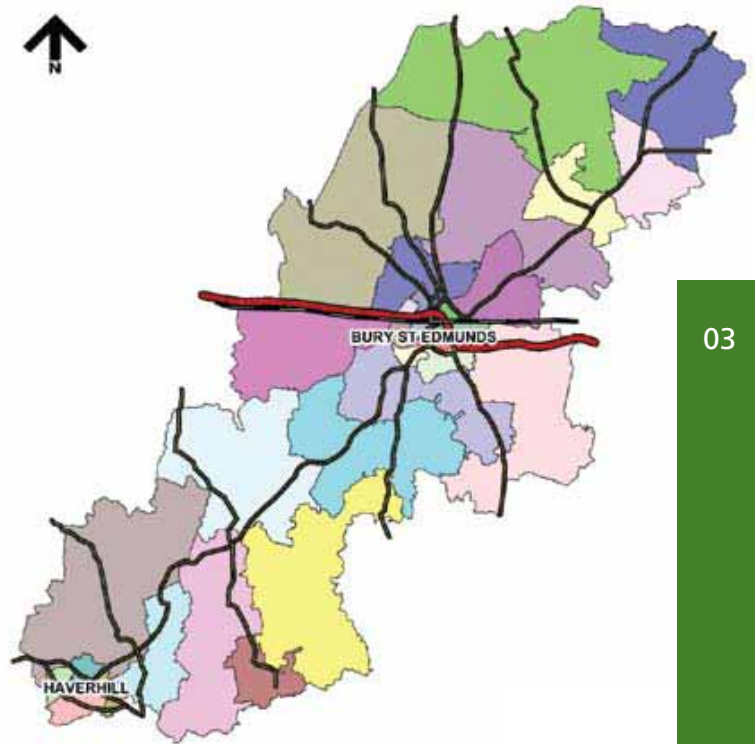
About us

St Edmundsbury is a district council located in West Suffolk, with 81 rural parishes set in quintessential countryside, and two main towns, one a heritage gem and the other a thriving modern town.

St Edmundsbury has built a strong sense of place, shared by its West Suffolk neighbours.

Historic Bury St Edmunds benefits from strong tourism worth about £3m a year, attracted by the heritage, cultural life, open spaces and independent traders, all actively promoted by the Council.

Meanwhile, our investment in Haverhill over the last few years has resulted in significant improvements to the social infrastructure of the town, including the completion of a multiplex cinema, refurbished Leisure Centre, and some key inward investment, all of which reflects the energy and vitality of a town where 40% of residents are young people.



Map of Borough Wards

Leveraging investment is key to the council's strategy for supporting its fragmented rural communities. It has set up rural initiative funding arrangements that allow community organisations to draw on a wide range of funding sources through match and top up funding.

In a recent inspection by the Audit Commission, we were specifically recognised for our excellence in planning and managing our workforce. During 2009/10 we moved into a new office combining the Western Area offices for Suffolk County Council, our own teams, and a number of visiting officers from other public bodies. We aim to drive forward the delivery of joined-up public services, and act as a catalyst for improved services to the public.

The Council is made up of 45 Councillors and is Conservative controlled. It operates under a Leader and Cabinet style of governance.

Flowers in Clare



Arc Development in Bury St Edmunds

Introduction from the Chief Executive and Portfolio Holder for Resources and Efficiency

This was another great year for St Edmundsbury. Our strategy of investment over the last few years has reaped rewards in supporting our businesses to weather the financial storm and buck the trend of recessionary decline. Bury St Edmunds increased its position in the latest Experian retail ranking from 161st to 145th nationwide, reflecting the huge success of the arc development in attracting new retailers and visitors to the town. Arc's combination of retail, residential and soon to be launched public venue (the Apex) has brought a number of new dimensions to our already thriving market town. Haverhill continues to flourish and now benefits from the multiplex cinema,

refurbished leisure centre, and a range of improvements to the centre of town, all of which have been facilitated and financially supported by the Council. And our Rural Action Plan continues to deliver focused benefits in our rural areas.

When we joined with Suffolk County Council in West Suffolk House, an innovative shared public service building, we knew that co-location would bring economies and efficiencies to the two councils. The annual savings in St Edmundsbury's running costs are £323,000. We have also seen a tremendous interest in other public bodies keen to piggy back on our ability to provide a seamless

*Sensory Garden, Abbey Gardens
in Bury St Edmunds*

service to our customers and West Suffolk House now hosts a number of public servants including Police Community Support and Licensing Officers, and Improvement East.

As a Council we continue to be scored by the Audit Commission amongst the highest districts in the East of England, which is a testament to the dedication and professionalism of our staff and councillors and equips us well to deal with the challenging conditions local government will face in the future.

We collect council tax for ourselves and also for Suffolk County Council, the Police and town and parish councils. St Edmundsbury's share of a typical council tax bill in 2009/10 was about £170, following our decision to freeze council tax in order to support our residents through difficult financial times.

The pages which follow present the overall financial position of the Council for the year ended 31 March 2010, with a comparison of the position for the previous financial year. The Council manages its affairs to ensure the economic and effective use of resources and safeguarding of its assets. This is essential if we are to continue to play a leading role in the community and provide high quality services for the benefit of our residents. This task is shared by all councillors and staff. As Chief Executive Officer and Portfolio Holder for Resources and Efficiency, we play a particular role in ensuring financial stewardship.

This year we have included an Environmental Statement (on page 89), which sets out our performance against a range of environmental targets. St Edmundsbury has a strong track record in sustainability and we are proud to be one of the first councils in the country to demonstrate our commitment through the inclusion of this report in our Statement of Accounts.



Geoff Rivers
Chief Executive Officer

Paul Farmer
Portfolio Holder for
Resources and
Efficiency

Statement of Responsibilities for the Statement of Accounts

The 2009/10 accounts have been produced in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom - a Statement of Recommended Practice (known as 'the SORP').

The Authority's Responsibilities

The Authority is required to:

- (i) make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer
- (ii) manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- (iii) approve the Statement of Accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in legislation and the SORP.

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

- (i) selected suitable accounting policies and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) complied with the local authority SORP;
- (iv) kept proper and up to date accounting records;
- (v) taken reasonable steps to prevent and detect fraud and other irregularities.

Certification of the Statement of Accounts

This Statement of Accounts presents a true and fair view of the financial position of the Council at the 31 March 2010 and its income and expenditure for the year then ended.

Liz Watts, Chief Finance Officer

Date: 29 June 2010

Cllr Ian Houlder, Mayor

Date: 29 June 2010

These accounts were approved by the Council on 29 June 2010.

Financial Commentary by the Chief Finance Officer

Financial Commentary on the Year

The 2009/10 financial year was marked by unprecedented financial turmoil globally, which has had a range of impacts on the Council. I explain these in the following commentary. Whilst we have weathered the financial storm well to date, the impact of the public sector cuts is likely to be drastic going forward and it will be critical that we ensure the Council is as well placed as possible to cope in a world of uncertainty and change.

Below is an explanation of our revenue, capital and reserves movements in the year 2009/10, and a summary of the Pension and Treasury Management activities.

1 Revenue Income and Expenditure

The revenue account (known as the General Fund) is used to fund our day-to-day services. We receive significant income from government departments, fees and charges and various other sources to carry out particular areas of work. However, our overall expenditure is greater than these sources of income, and the difference is made up by government grants, council tax and the use of reserves. This section sets out:

- a comparison of the 2009/10 budget and actual expenditure
- an explanation of the main variances
- an explanation of how we paid for our services.

Comparison of the 2009/10 budget and actual expenditure

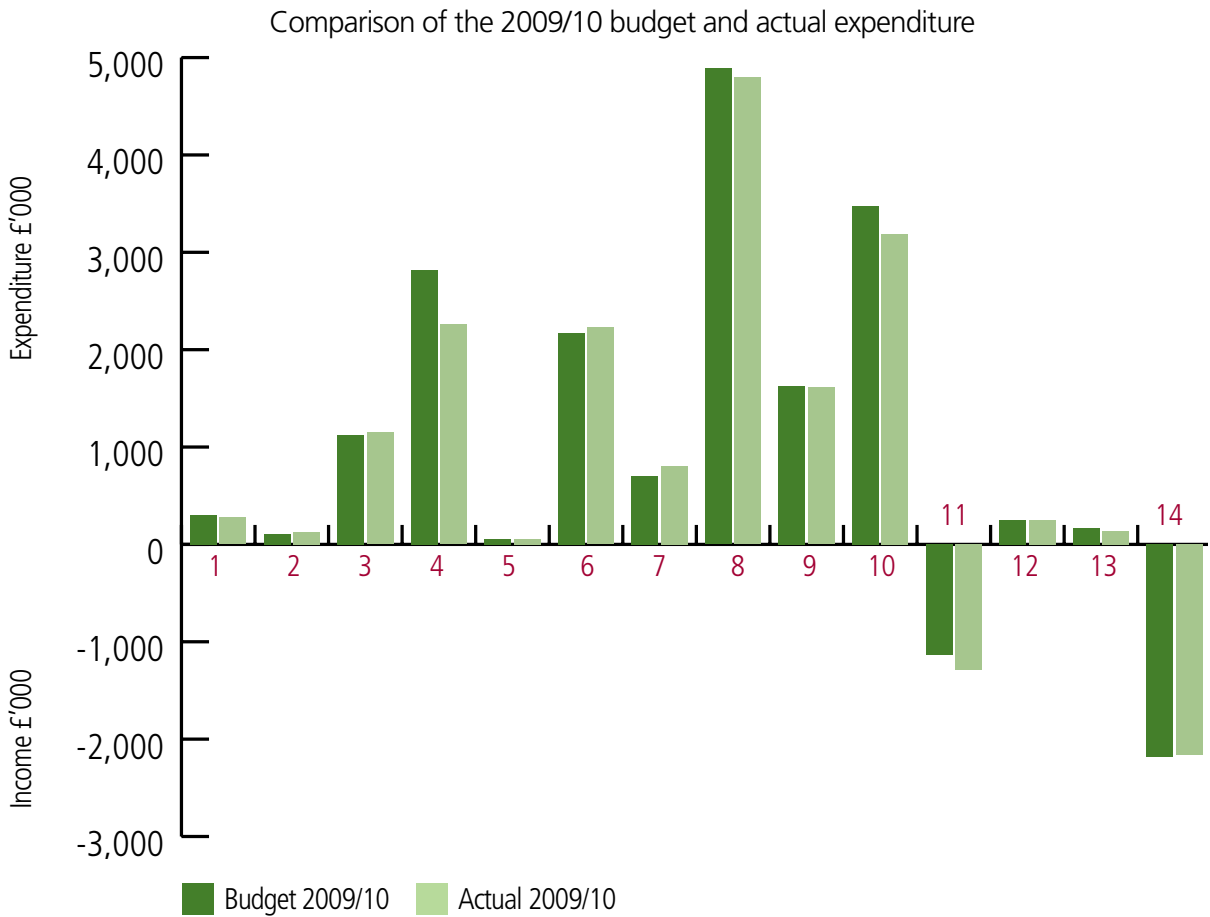
The Council set a net expenditure budget for 2009/10 of £13.468m, which included a planned transfer from general reserves of £0.929m. The final outturn net expenditure was £13.424m which resulted in a transfer back to reserves of £0.044m.

I am therefore pleased to report an underspend of £0.973m against budget, which is partly attributed to early action taken in response to the recession and future public spending cuts. This underspend has been transferred to the Council's general fund reserve to be used to support revenue expenditure and reduce Council Tax burdens in future years.



Christmas Fayre in Bury St Edmunds

The following chart shows budgeted and actual net expenditure on Council services during the year.



- | | | |
|---|--|-----------------------------------|
| 1 Chief Executive's Office inc. Communications | 5 Emergency Planning | 10 Waste Management |
| 2 Mayoralty | 6 Health & Housing | 11 Engineering (inc. car parking) |
| 3 Legal & Democratic Services | 7 Neighbourhood Management and Development | 12 Economic Development |
| 4 Financial Services, ICT, Revs and Bens, Procurement | 8 Leisure Services | 13 Property Services |
| | 9 Planning | 14 Corporate Property |

The main variances

The main reasons for the budget underspend are set out in the table below. They combine a range of underspends (the first 10 rows) and overspends (the last 6 rows) resulting in the net underspend of £0.973m.

Major variances to budget	(Under-spend)/ Overspend £000
Investment interest above budget	(340)
Pay award (at 1%) below amount included in budget (3%)	(324)
Waste management - variances in tipping charges, income and operational expenditure	(255)
Suffolk County Council Highways Agency - including surplus on highways operations	(115)
Planning section staff vacancies	(103)
Local land charges - fee overachieved	(82)
Corporate property - salaries underspend	(55)
Car parks - income above budget and non-domestic rate refunds	(95)
Restructuring of Corporate Management Team	(59)
Corporate property - rental income above budget	(47)
Highways section salaries overspend	40
Western Way Depot overspend	40
Undeveloped land external fees overspend	47
Legal section overspend - legal fees	61
Planning control fees underachieved	132
Other net variances (individually each less than £40,000)	182
Total Net Variance	(973)

Most of the above variances are due to specific issues and factors arising during the 2009/10 financial year and corrective action has been taken to address overspends where possible. Where variances are likely to impact on future years they have been taken into account in setting the 2010/11 budgets.

charges and government departments) is funded by government grants (revenue support grant and redistribution of business rates), the council tax and the use of the Council's general reserves, as summarised in the table below.

How we paid for our services

The Council's net expenditure on services (i.e. after allowing for income from fees and

	Actual 2009/10 £'000
Council Tax	(6,461)
Government Grant	(7,007)
Total	(13,468)



Nowton Park Country Fair

Comparing the General Fund to the Statement of Accounts

As I have noted above, the General Fund budget for 2009/10 was underspent by £0.973m and, as a result, instead of drawing £0.929m from our general reserves, we were able to increase our general reserve by £0.044m. This compares to a net deficit on the Income and Expenditure Account of £8.233m (page 26). The very substantial difference between these two figures relates to the fact that while the Income and Expenditure Account is prepared in accordance with generally accepted commercial accounting practices, the Council is required to raise council tax on different accounting principles. The Statement of Movement on the General Fund Balance

(page 27) provides a reconciliation between these two statements and reverses out charges to the Income and Expenditure Account totalling £8.277m, including:

Impairment of fixed assets – The Council values the majority of its assets on the basis of market value, which in recent years has increased in value year on year. However, over the past two years many property asset values have declined steeply as a result of the economic crisis and we have had to account for this decline, both in respect of new and existing fixed assets. In accounting terms these adjustments are called impairments. During 2009/10 the value of our assets was impaired by £5.636m, of which £5.280m was charged to revenue. This follows on from impairments totalling £11.23m in 2008/09. As well as reducing the value of assets recorded in the Council's Balance Sheet (page 30), and therefore reducing the Council's net worth, the impairment charges to the Income and Expenditure Account are the main reason for the recorded deficits over the past two years.

Depreciation of assets – For 2009/10 depreciation charges of £2.474m have been made to the Income and Expenditure Account to reflect the decrease in the value of Council assets due to their use over time. These accounting charges are not passed onto the council taxpayer and are therefore reversed out of the general fund.

Retirement benefits – The costs of employee pensions included in the Income and Expenditure Account are based on annual actuarial valuations and projections regarding future movements in the fund assets and liabilities, whereas the General Fund is charged the actual amounts payable to the pension fund in the year, which is determined on the basis of a triennial valuation. For 2009/10 the net difference between these two valuation bases was £1.022m.

2 Capital Income and Expenditure

Capital income and expenditure includes transactions related to the following activities:

- buying or selling land or property
- building new property
- improving our existing properties
- providing grants to others for any of the above activities.

This section sets out:

- a comparison of the 2009/10 capital budget and actual expenditure
- an explanation of the main variances
- an explanation of where our capital income came from in 2009/10.

The Council is committed to a significant programme of investment in capital projects. The original capital budget for 2009/10 was

£25.388m, but this was revised downwards towards the end of the financial year to £16.451m. This downwards revision was primarily made as a result of known areas of slippage in the capital programme. Actual capital spending during 2009/10 amounted to £15.546m (including £0.386m on the purchase of vehicles/plant and software which was not in the capital programme).

The following table shows the main items of capital expenditure and how these compared to the budgeted capital programme. *It should be noted that the table does not include the complete spend on any one project, but rather, the spend (and budgeted spend) during 2009/10.*

Capital Programme 2009/10

	2009/10		
	Actual	Revised Budget	Variance (Under) / Overspend
	£'000	£'000	£'000
Improvement grants	673	810	(137)
Apex (Public Venue, Cattle Market)	8,184	8,245	(61)
Haverhill Leisure Centre improvement works	2,210	2,131	79
Haverhill Community Football	1,292	1,060	232
Queen Street enhancements	307	370	(63)
Cattle Market redevelopment (car parking)	307	541	(234)
West Suffolk House	942	1,101	(159)
Major planned building maintenance	127	260	(133)
Total of other schemes	1,118	1,933	(815)
Total capital programme	15,160	16,451	(1,291)
Purchase of vehicles and plant	386		
Total capital spending	15,546		

The capital expenditure was financed from usable capital receipts (£11.999m), revenue reserves (£0.291m) and grants and contributions (£3.256m).

The Council had capital receipt reserves of £12.832m at the end of 2009/10 compared to £22.099m at the start of the year.

The slump in the property market caused us to budget cautiously for receipts from capital disposals, and in light of this caution, we fell short of the target of a planned disposal programme totalling £2.779m by only £0.065m. This area will be carefully monitored in the future, and disposal of surplus assets will continue to be delayed until the market recovers.

3 Reserves

The Council has a track record of sound financial management. An integral part of our financial strategy is to ensure that our reserves are maintained at a healthy level. We maintain a number of reserves, which are split into two main categories: the General Fund reserve and the Earmarked reserves.

The **General Fund reserve** provides the day-to-day cash flow cover for the Council and accommodates the inevitable mismatches that arise between cash inflows and outflows. The opening balance at 1 April 2009 was £2.632m and the closing balance at 31 March 2010 was £2.676m.

The demand on reserves will change over time and it is appropriate to review allocations on an annual basis. The Council has previously determined that the level of the General Fund Reserve should not fall below £1.75m. As in previous years the Council can use balances above this minimum to support revenue

expenditure and reduce the level of Council Tax.

Earmarked reserves enable the Council to manage the funding of expenditure that may vary between financial years (e.g. the purchase of vehicles and plant) and to reduce risk by providing a degree of contingency funding where the future level of expenditure may be uncertain (e.g. concessionary bus fares). Earmarked reserves are also used to hold revenue funds that have been allocated for specific purposes when the year of investment may vary. The opening balance on earmarked reserves at 1 April 2009 was £12.617m. Net movements during the year resulted in a decrease in earmarked reserves of £0.101m leaving a closing balance on earmarked reserves of £12.516m.

The 2010/11 Budget and Council Tax Setting report provided information on indicative transfers to and between earmarked reserves, based on an estimated year end underspend of £0.926m. It was agreed to transfer this underspend in its entirety to the General Fund in order to support revenue expenditure and reduce the level of Council Tax. As Chief Finance Officer, I have delegated authority to make these transfers, in consultation with the Portfolio Holder for Resources and Efficiency. As reported above, the actual year end underspend was £0.973m, and following approval of the Statement of Accounts, we will make this transfer to the General Fund Reserve. I continue to review the adequacy and appropriateness of individual earmarked reserves in consultation with the Portfolio Holder for Resources and Efficiency, and report any transfers to or between reserves to the Performance and Audit Committee and Cabinet quarterly.

The table below summarises the make-up of the reserves. Full details of the earmarked reserves are contained in note 40, which can be found on page 73.

	Balance at 31 March 2010	Balance at 31 March 2009
	£'000	£'000
General reserves		
General fund working balance	1,720	1,724
Support services working balances	956	908
	2,676	2,632
Earmarked reserves	12,516	12,617
Total revenue reserves	15,192	15,249

4 Pension Fund

The Local Government Pension Scheme is a national statutory scheme which, for Suffolk authorities, is administered by Suffolk County Council. The actuarial position of the Pension Fund, and the levels of individual employer contributions to the fund, are reviewed on a triennial basis. The last triennial valuation was undertaken at March 2007 and showed a funding deficit as a whole (i.e. all Suffolk members) of £158m and a funding level of 89%. Fund performance had improved significantly since the previous valuation in March 2004 (which showed a funding deficit of £260m and a funding level of only 75%). In the Borough's case, the revised deficit at March 2007 was assessed at £1.4m. This valuation was used as the basis for fixing the Borough's contribution rates for the three year period 2008/09 to 2010/11.

Since that time the overall deficit, and the Borough's share of that deficit, has increased

substantially. Interim valuations undertaken for accounting purposes show that as at 31 March 2009 the Borough's deficit projections had increased from £1.4m to £22m, rising to a deficit of £51m as at 31 March 2010. The increase in fund deficits over this period has been due to a combination of factors including, falling investment values and returns, increased inflation forecasts, and increased life expectancy projections.

The increase in pension fund liabilities has had a significant impact on the Council's Balance Sheet and is the main reason for the fall in disclosed net worth during the year.

It must be emphasised that this increased deficit has no immediate impact on the general fund or the Borough's council tax payers, since there is no requirement to change the Borough's contribution rates to the Suffolk County Council pension fund



Shopmobility

within the three year period. However, given current deficit projections, it is likely that our future employer's contribution rates to the Suffolk County Council pension fund will increase substantially from 2011/12, following the latest full actuarial valuation at 31 March 2010 (results published in July 2010). This is a matter which we will need to monitor closely during 2010/11 and following years.

5 Treasury Management

Despite the economic recession and historically low interest rates, the Council's treasury management activities have continued to exceed budgeted rates of return. The budgeted income from investments in 2009/10 was £0.751m, equivalent to £19.87 for each Council Tax Band D property. As at 31 March 2010, interest earned amounted to £1.097m (equivalent to £29.03 for each Council Tax Band D property); an increase of £0.346m. The over achievement of interest on investments during this period was due to the achievement of higher than expected interest rates, to slippage on the capital programme and other cash flow advantages. The average rate of return on investments for the year was 2.32% compared with a budgeted rate of return of 2.20%.

Looking ahead to 2010/11, the future for interest rates remains bleak. The majority of our remaining longer term investments matured during 2009/10, and it is a challenge to find attractive rates which deliver the required level of security. Our budgeted income from investments for 2010/11 is £0.566m (equivalent to £14.91 for each Council Tax Band D property), representing a target rate of return of 1.50%.

The Council was not affected by the collapse of the Icelandic banks, and has not to date suffered any loss arising from the failure of a financial institution.

Liz Watts MA, MBA, ACCA, CIPFA
Chief Finance Officer

Explanatory Foreword by the Chief Finance Officer

The accounts comprise the following Core and Supplementary financial statements:

Core Financial Statements

The principal accounting statements are referred to as the Core Statements and are explained below.

Income and Expenditure Account (Page 26)

This statement summarises the authority's total income and expenditure. Income for each service is matched against expenditure, to show the net cost of each service. The account also shows how much is received from Council Tax payers and from government grants to help meet the cost of services. It is prepared under 'generally accepted accounting principles' which are not the same as those used for setting Council Tax. (See Statement of Movement on the General Fund Balance).

Statement of Movement on the General Fund Balance (Page 27)

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance. It is known as the 'Statement of Movement on the General Fund Balance'.

Statement of Total Recognised Gains and Losses (STRGL) (Page 29)

This statement demonstrates how the movement in the net worth of the Council, as shown in the Balance Sheet, links to the surplus or deficit in the Income and Expenditure Account and to other unrealised gains and losses.

Balance Sheet (Page 30)

The Balance Sheet provides a snapshot of the Council's financial position at 31 March 2010.

Cash Flow Statement (Page 31)

This statement summarises the Council's cash inflows and outflows arising from transactions with third parties, for both revenue and capital purposes.

Supplementary Statement

The Collection Fund (Page 78)

This statement records the income from Council Tax and National Non-domestic Rates (NNDR). It shows how these sums are distributed between St Edmundsbury Borough Council, Suffolk County Council, Suffolk Police Authority and the Government's NNDR Pool.

Annual Governance Statement

The Accounts and Audit (Amendment) (England) Regulations 2006 require the Council to prepare and publish an Annual Governance Statement (AGS). Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Governance comprises the systems, processes, cultures and values by which the Council is directed and controlled and through which it is accountable to, engages with, and where appropriate, leads communities.

Main Changes During 2009/10

The 2009 SORP introduced a number of technical changes to the accounting arrangements, but the majority of the accounting requirements have been unchanged.

Statement of Accounting Policies

This section of the accounts sets out the accounting policies used in compiling the accounts. Any technical terms are explained in the glossary, on page 83.

The actual accounts can be found from page 25.

1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2009/10 financial year and its position at the year end of 31 March 2010. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009 – A Statement of Recommended Practice ('the SORP'). The SORP constitutes proper accounting practice under the terms of section 21(2) of the Local Government Act 2003 and meets the requirements of the Accounts and Audit Regulations 2003. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

The SORP 2009 introduced a number of changes to the 2009/10 accounts. The most significant changes affecting this Council's accounts are:

- **Changes in accounting for local taxes (ie National Non-domestic Rates and Council Tax)** – Accounting treatment has been changed to reflect the role of billing authorities as agents rather than principals. The 2009 SORP requires appropriate shares of Council Tax debtors to be recognised in both the billing and precepting authorities' balance sheets (previously only shown in the billing authorities' balance sheets). For National Non-domestic Rates (NNDR), as this taxation is collected on behalf of the Government, billing authorities are now required to exclude NNDR debtors from their balance sheets, and instead only recognise a creditor or debtor for amounts due to / from the Government's NNDR pool.
- **Disclosure of Officers' Remuneration** – Previous requirements to disclose officers' remuneration above a minimum level have been extended to include additional details regarding job titles and, for employees with annual salary in excess of £150,000, the names of the relevant officer(s).

2 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:

- Fees, charges and rents due from customers are accounted for as income at the date the council provides the relevant goods or services.
- 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 stocks on the Balance Sheet.
- Works are charged as expenditure when they are completed, before which they are carried as assets in the course of construction on the Balance Sheet.
- Interest 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 (as the Council is debt free, no interest charge is made to revenue).

- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Revenue and capital transactions have been recorded on an income and expenditure basis. This means that activity is accounted for in the year that it takes place, not simply when cash payments are made or received. At the end of the year, if goods and services have been received but not paid for and if income is due but has not been received, then the relevant amounts are recorded in the Balance Sheet as creditors and debtors (amounts are estimated where necessary). Any provision for impairment of debt has been made in the accounts of each relevant service.

3 Estimation Techniques

Estimation techniques are the methods adopted to arrive at estimated monetary amounts, corresponding to the measurement bases selected for assets including asset lives and depreciation, liabilities including pensions, gains, losses and changes in reserves. In the notes to the accounts, reference is made to the bases on which assets, liabilities, gains, losses and changes in reserves have been assessed. there have not been any material changes in the basis of the estimation techniques since the preparation of the last Statement of Accounts.

4 Support Services/Service Management Allocations

Charges or apportionments covering all support service and service management costs are made to all their users, including services to the public, divisions of services, trading undertakings, capital accounts, services provided for other bodies and other support services. The main exceptions to this principle are costs relating to the Corporate and Democratic Core (costs relating to the Council's status as a multi-functional, democratic organisation) and Non Distributed Costs (the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational property). The charges or apportionments are in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2008 (BVACOP) and based on the estimated cost of support services/service management at outturn prices. Under/over recovery of costs are transferred to working balances. This means that the income and expenditure account may show a net residual income or expenditure for support services under 'support and other services'.

5 Pension Arrangements

Employees of the Council are entitled to join the Local Government Pension Scheme administered by Suffolk County Council, which is a defined benefits scheme. Pension payments are met from the pension fund, unless an employee retires early, in which case the Council funds the extra cost of early retirement.

The cost of pensions included within the accounting statements follows the requirements of Financial Reporting Standard (FRS) 17 – Retirement Benefits:

- The assets of the pension fund attributable

to the Council are included in the Balance Sheet at their fair value;

- 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 and projections of earnings for current employees;
- The deficit in the pension fund is the shortfall of the value of the assets in the scheme compared to the present value of the scheme liabilities;
- The change in the net pensions liability is analysed into seven components:
 - **Current service cost** – the increase in liabilities resulting from the additional years of service earned during the current year (allocated in the Income and Expenditure Account to the revenue accounts of services for which the employees worked);
 - **Past service cost** – disclosed on a straight line basis over the period in which the increases in benefits vests (debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs);
 - **Interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid (debited to Net Operating Expenditure in the Income and Expenditure Account);
 - **Expected return on assets** – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return (credited to Net Operating Expenditure in the Income and Expenditure Account);
 - **Gains arising from settlements or curtailments not allowed for in actuarial assumptions** are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction (credited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs);
 - **Losses arising from settlements or curtailments not allowed for in actuarial assumptions** are measured at the date on which the employer becomes committed to the transaction (debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs);
 - **Actuarial gains and losses** arising from updating the latest actuarial valuation to reflect conditions at the Balance Sheet date (debited to the Statement of Total Recognised Gains and Losses).

Statutory provisions limit the Council to raising council tax to cover only the actual amounts payable by the Council to the pension fund in the year. In the Statement of Movement on the General Fund Balance this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits (FRS 17 adjustments) and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year end.

6 Intangible Fixed Assets

Expenditure on assets that do not have physical substance, but are identifiable and controlled by the Council through legal right, is capitalised when it will deliver benefits to the Council for more than one year. The balance is amortised to the relevant service revenue account over the economic life of the asset. The figures included in the Balance Sheet are for software licences.

7 Tangible Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services on a continuing basis.

Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides for more than one financial year.

Measurement

Tangible fixed assets are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). Fixed assets are classified into the groupings required by the SORP and are valued on the following bases:

- **Land, operational properties including council dwellings and other operational assets** are included in the Balance Sheet at the lower of net current replacement cost or net realisable value in their existing use. Where there is no market for the asset, the depreciated replacement method is used;
- **Non-operational assets**, including investment properties and any assets surplus to requirement, are included in the Balance Sheet at the lower of net current replacement cost or net realisable value. This is normally market value;
- **Infrastructure assets and Community assets** are held at depreciated historical cost;
- **Assets under construction** are included as fixed assets at historical cost;
- **Vehicles and plant** are included in the Balance Sheet at historical cost less

depreciation; this is taken to be a proxy for the lower of the net current replacement cost or net realisable value in existing use.

Net current replacement cost is assessed as:

- Existing Use Value for non-specialised operational properties;
- Depreciated Replacement Cost for specialised operational properties.

Assets included in the Balance Sheet at valuation are revalued on a five year rolling programme. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue 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

The value at which each category of asset is included in the Balance Sheet is reviewed at the end of each reporting period for evidence of reductions in value. Where impairment is identified, the loss is directly charged to the relevant service revenue account if it is caused by a clear consumption of economic benefits (e.g. physical damage or a deterioration in the quality of the service provided by the asset). Other impairments (reflecting a general fall in prices) are first written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the relevant service revenue account.

Disposals

When an asset is disposed of, the carrying value of the asset in the Balance Sheet (less receipt

from disposal) is written off to the Income and Expenditure Account as a gain or loss on disposal. Any revaluation gains in respect of the asset disposed of in the Revaluation Reserve are transferred to the Capital Adjustment Account. Other than when required by regulation, amounts in excess of £10,000 are categorised as capital receipts and credited to the Capital Receipts Reserve, and can only be used for new capital investment. The receipts are appropriated to the Reserve from the Statement of Movement on the General Fund Balance.

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 Statement of Movement on the General Fund Balance.

Depreciation

Depreciation is charged on all fixed assets with a determinable finite life, by allocating the value of the asset in the Balance Sheet over the planned period of use. The exceptions are freehold land (whether operational or non-operational) and non-operational investment properties, which are not normally depreciated. Operational buildings where the remaining useful life is estimated to exceed 50 years are depreciated using a 50 year estimated life.

The method used to calculate depreciation is straight-line allocation. Vehicles and movable plant are depreciated from the month of purchase. Assets under construction are not depreciated until the assets are completed and capable of being brought into use.

Revaluation gains are reduced by 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.

Grants and Contributions (Capitals)

Grants and contributions that are identifiable to fixed assets with a finite useful life are credited to the Government Grants Deferred Account. The balance is then written down to revenue to offset depreciation charges made for the related assets in the relevant service revenue account.

Where there is no identifiable asset, the grant is written down to the relevant service revenue account.

8 Charges to Revenue for Fixed Assets

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

- depreciation attributable to the assets used by the relevant service
- impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they 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, impairment losses or amortisations. Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the Statement of Movement on the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

9 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 fixed assets controlled by the authority, has been charged as expenditure to the relevant service revenue account in the year (for example, improvement grants made to individuals and capital expenditure on assets not owned by the Council). Where the Council is meeting the cost of this expenditure from capital resources, a transfer to the Capital Adjustment Account then reverses out the amounts charged in the Statement of Movement on the General Fund Balance so there is no impact on the level of council tax.

10 Leases

Finance Leases

A finance lease is one that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Rental payments under finance leases are charged to revenue over the term of the lease. Fixed Assets recognised under finance leases are accounted for using the policies applied generally to Tangible Fixed Assets, subject to depreciation being charged over the lease term if this is shorter than the asset's useful life.

Operating Leases

Leases that do not meet the accounting definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable. Where the Council is the lessor in an operating lease, the property is retained on the Balance Sheet and rental income credited to the relevant service revenue account.

11 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year within the Income and Expenditure Account. There is no net charge against council tax for the expenditure as an equivalent amount is appropriated from the reserve and credited to the Statement of Movement on the General Fund Balance.

Certain reserves are kept to manage the accounting processes for tangible fixed assets (the Revaluation Reserve and the Capital Adjustment Account) and retirement benefits (the Pension Reserve). These reserves do not represent usable resources for the Council.

12 Stocks

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 stocks on the Balance Sheet. Stocks held by the Council include wheeled bins, fuel and vehicle spares. They are valued at the lower of cost or net realisable value.

13 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs (HMRC) and all VAT paid is recoverable from HMRC.

14 Financial assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market (e.g. investments with financial institutions); and
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments (e.g. government bonds and company shares.)

Loans and receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Income and Expenditure Account.

Available-for-sale assets

Available-for-sale assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Income and Expenditure Account for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are

no fixed or determinable payments, income (e.g. dividends) is credited to the Income and Expenditure Account when it becomes receivable by the Council.

These assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price;
- other instruments with fixed and determinable payments – discounted cash flow analysis;
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-sale Reserve and the gain/loss is recognised in the Statement of Total Recognised Gains and Losses (STRGL). The exception is where impairment losses have been incurred – these are debited to the Income and Expenditure Account, along with any net gain/loss for the asset accumulated in the Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise on the derecognition of the asset are credited/debited to the Income and Expenditure Account, along with any accumulated gains/losses previously recognised in the STRGL.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

15 Financial Liabilities

The Council's financial liabilities are classified as either 'Current Liabilities' or 'Long Term Liabilities'. They are measured at fair value and are accounted for on an accruals basis.

Current liabilities are items that are due immediately or in the short-term. They arise when the Council receives goods or services directly from a creditor or supplier, or in circumstances where there is a bank overdraft.

Long term liabilities represent amounts falling due after more than one year and include liabilities relating to the Council's defined pension scheme. It also includes deferred grants and contributions which are not liabilities, but represent the application of proper accounting practice for grants released to the revenue account over the life of the assets that gave rise to the relevant government grant.

During 2009/10 the Council retained its debt free status.

16 Interests in Companies and Other Entities

The council has no interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures.

17 Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the authority satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure

for which the grant is given has been incurred. Revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Area Based Grant) are credited to the foot of the Income and Expenditure Account after Net Operating Expenditure.

18 Minimum Revenue Provision (MRP)

Expenditure on assets which have a life expectancy of more than one year (e.g. buildings, vehicles, machinery etc) is normally capital expenditure. Capital expenditure can be financed through the Council's capital reserves (accumulated from capital receipts), revenue contributions (including use of revenue reserves) or external debt. Where capital expenditure is financed by external debt it would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years to match the expected useful life of the asset. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

Statutory Instrument 2008 no. 414 s4 lays down that:

"A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent."

There is no requirement to charge MRP where the Council's Capital Financing Requirement (the underlying need for the Council to borrow) is nil or negative at the end of the preceding financial year. As the Council is currently debt free there is therefore no requirement to charge MRP. Should the Council's debt free

status change the Council will implement the Minimum Revenue Provision (MRP) in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

19 Prior year adjustments

When accounting policies change or a fundamental adjustment is made, proper accounting requires the comparatives for the earlier year to be restated to the position that would have applied if the change or adjustment had applied in that year of account.

In 2009/10 the comparatives to the income and expenditure account, balance sheet and

cash flow statements have been amended to reflect that Council Tax is collected on behalf of other organisations and NNDR for central government.

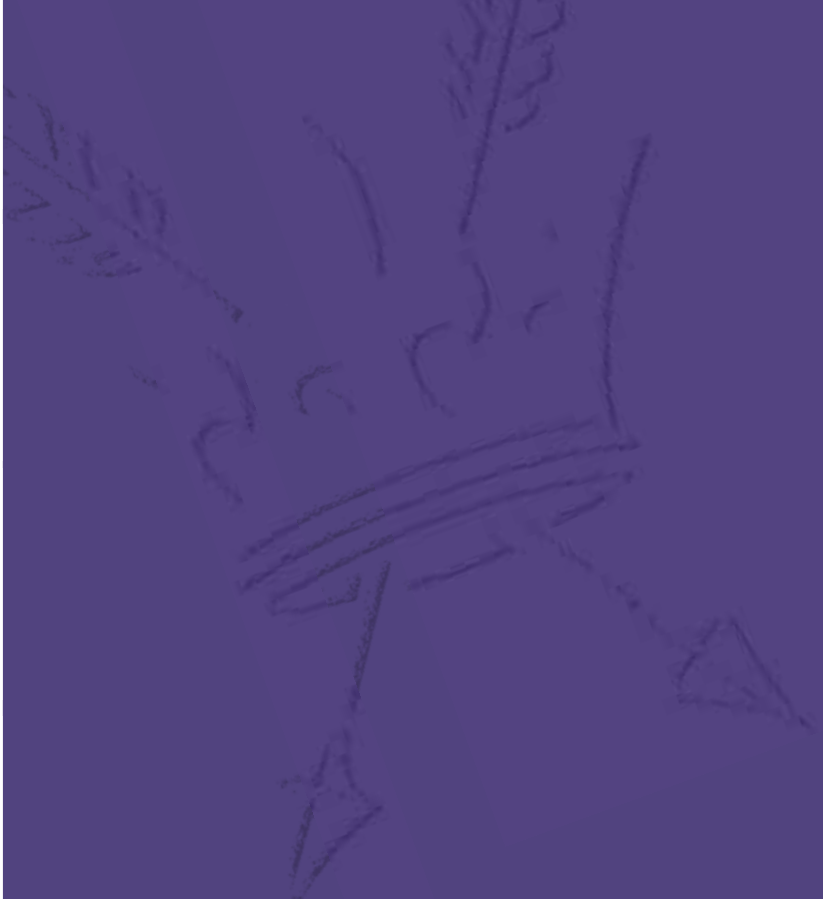
Following a reclassification of fixed assets, additional amounts are shown as operational land and buildings which were formerly shown as investment properties. This change has resulted in £24m of assets switching category, although overall there is a neutral impact on the balance sheet. Investment property is not subject to depreciation whereas buildings are depreciated. The change has therefore resulted in a charge for depreciation in 2009/10 of £372,000. Owing to the impact of impairment provisions in 2008/09, no additional depreciation is required in that financial year.



Police Community Support Officers in Haverhill



Core Financial Statements



Income and Expenditure Account

This account summarises the resources that have been generated and consumed in providing services and managing the Council during the year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

	2009/10			2008/09 Restated
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Net Expenditure £'000
Expenditure on Services				
Continuing Operations				
Cultural and Related Services:				
Open Spaces	2,390	(378)	2,012	2,006
Recreation and Sport	5,298	(161)	5,137	1,847
Other Cultural and Related Services	2,082	(542)	1,540	1,558
Tourism	244	(87)	157	160
Environmental Services:				
Waste Collection	4,195	(2,155)	2,040	2,113
Other Environmental Services	3,947	(447)	3,500	3,594
Planning and Development	3,435	(1,120)	2,315	2,201
Highways, Roads and Transport	4,157	(4,055)	102	340
Housing General Fund:				
Housing Benefit Payments - note 1	23,960	(23,346)	614	483
Other Housing	1,650	(656)	994	1,316
Central Services to the Public	2,120	(544)	1,576	1,729
Council Tax Benefit Payments - note 1	6,484	(6,308)	176	278
Corporate and Democratic Core	1,802	(6)	1,796	2,006
Non-Distributable Costs	1,186	(272)	914	987
Support and Other Services	1,845	(265)	1,580	5,795
Net Cost of All Services	64,795	(40,342)	24,453	26,413
Corporate Income and Expenditure				
Gain on disposal of fixed assets - note 10			(386)	(30)
Parish Precepts			1,311	1,288
Pension Fund Interest Costs			5,585	5,756
Pension Fund Return on Assets			(3,747)	(5,517)
Contribution of housing capital receipts to Government Pool			1	1
Net (Surplus) / Deficit of Trading Services - note 2			(2,249)	2,735
Interest and Investment Income			(1,573)	(3,116)
Net Operating Expenditure			23,395	27,530
Principal Sources of Finance				
Demand on the Collection Fund			(7,809)	(7,753)
Transfer from the Collection Fund			(17)	43
Government Grants				
General Government Grants - note 9			(1,643)	(995)
Income from Non-Domestic Rates Pool			(5,693)	(6,087)
Deficit for the Year			8,233	12,738

Figures in brackets represent income, those not in brackets represent expenditure.

Statement of Movement on the General Fund Balance

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last 12 months. However, the Authority is required to raise council tax on a different accounting basis, the main differences being:

- Depreciation and impairment of assets are not a charge to the council taxpayer for the purpose of statute. Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and

pensioners, rather than as future benefits are earned.

The General Fund Balance shows whether the Council has over or underspent against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance. It is known as the 'Statement of Movement on the General Fund Balance'.

	2009/10	2008/09 Restated
	£'000	£'000
Deficit for the year on the Income and Expenditure Account	8,233	12,738
Net reduction in the amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year – see reconciliation on page 28	(8,277)	(12,387)
(Increase) / Decrease in General Fund Balance for the year	(44)	351
General Fund Balance brought forward at 1 April	(2,632)	(2,983)
General Fund Balance carried forward at 31 March	(2,676)	(2,632)

Statement of Movement on the General Fund Balance – Reconciliation

28

Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year	2009/10	2008/09 Restated
	£'000	£'000
Amortisation of intangible assets	(35)	(31)
Depreciation and impairment of fixed assets	(7,719)	(12,354)
Government grants deferred amortisation	103	90
Revenue expenditure funded from capital under statute	(338)	(608)
Gains on sale of fixed assets and other capital receipts	490	33
Net charges made for retirement benefits in accordance with FRS17	(3,141)	(2,523)
Net Council Tax income adjustment	55	(83)
	(10,585)	(15,476)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year	2009/10	2008/09 Restated
	£'000	£'000
Capital expenditure charged in-year to the General Fund	291	475
Transfer from Usable Capital Receipts to meet payments to the Housing Capital Receipts Pool	(1)	(1)
Employer's contributions payable to the SCC Pension Fund and retirement benefits payable direct to pensioners	2,119	2,104
	2,409	2,578
Transfer to or from the General Fund Balance that is required to be taken into account when determining the Movement on the General Fund Balance for the year	2009/10	2008/09 Restated
	£'000	£'000
Net transfer (from) / to earmarked reserves	(101)	511
Net additional amount required to be (credited) to the General Fund Balance for the year	(8,277)	(12,387)

Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of the Council for the year and shows the aggregate decrease in its net worth. In addition to the deficit generated on the Income and Expenditure Account, it also includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

	2009/10	2008/09 Restated
	£'000	£'000
Deficit on the Income and Expenditure Account	8,233	12,738
(Surplus) arising on revaluation of fixed assets	(961)	(971)
(Surplus) / Deficit arising on revaluation of available-for-sale financial assets	(111)	121
Actuarial losses on pension fund assets and liabilities	27,565	16,624
Total recognised losses for the year	34,726	28,512

Balance Sheet

	31 March 2010		31 March 2009 Restated	
	£'000	£'000	£'000	£'000
Fixed Assets				
Intangible Fixed Assets - note 13		45		46
Tangible Fixed Assets - notes 14 to 19				
Operational assets				
Council dwellings	800		813	
Other land and buildings	68,222		67,201	
Vehicles, plant and equipment	2,428		2,861	
Infrastructure	1,122		793	
Non-operational assets				
Investment properties	77		77	
Assets under construction	18,458		11,455	
Surplus assets, held for disposal	3,116	94,223	5,475	88,675
Total Fixed Assets		94,268		88,721
Long term investments - note 20		352		10,285
Long term debtors				
Mortgages - note 21		299		318
Other - note 22		436		54
Total long term assets		95,355		99,378
Current Assets				
Short term investments - note 28	28,637		30,433	
Stocks	284		290	
Debtors - note 22	6,759		5,976	
Cash and Bank	7,117		6,595	
		42,797		43,294
Current Liabilities				
Creditors - note 23		(10,831)		(13,055)
Net current assets		31,966		30,239
Total assets less current liabilities		127,321		129,617
Long-term liabilities				
Government grants deferred account - note 39		(4,057)		(1,550)
Grants and contributions reserve - note 36		(3,604)		(2,268)
Liability related to defined benefit pension scheme - note 25		(50,774)		(22,187)
Total assets less liabilities		68,886		103,612
Financed by:				
Revaluation reserve - note 38	(3,336)		(3,242)	
Capital adjustment account - note 39	(87,708)		(84,763)	
Deferred credits - note 24	(299)		(318)	
Pension Reserve - note 25	50,774		22,187	
		(40,569)		(66,136)
Usable for capital purposes:				
Capital receipts reserve - note 36	(12,832)		(22,099)	
Usable for revenue purposes:				
Available-for-sale financial instruments reserve - note 37	(294)		(183)	
Collection Fund adjustment account - note 35	1		55	
Earmarked reserves - note 40	(12,516)		(12,617)	
General Fund - note 35	(2,676)		(2,632)	
		(28,317)		(37,476)
Total equity		(68,886)		(103,612)

Cash Flow Statement

	2009/10		2008/09
	£'000	£'000	Restated £'000
Revenue Activities			
Cash Outflows			
Cash paid to and on behalf of employees	17,380		17,344
Other operating cash payments	15,321		15,013
Housing benefit paid out	29,032		25,217
Payments to Capital Receipts Pool	1		1
		61,734	57,575
Cash Inflows			
Commercial rents	(3,315)		(3,095)
Council tax receipts	(7,780)		(7,683)
National non-domestic rate receipts from national pool	(5,693)		(6,087)
Revenue support grant	(1,337)		(887)
DWP grant for benefits	(29,936)		(23,534)
Other government grants - note 33	(3,209)		(3,476)
Cash received for goods and services	(9,015)		(9,510)
Other operating cash receipts	(1,567)		(1,159)
		(61,852)	(55,431)
Net cash (inflow) / outflow from revenue activities - note 30		(118)	2,144
Returns on Investments and Servicing of Finance			
Cash Outflows			
Interest paid		-	(2)
Cash Inflows			
Interest received		(1,112)	(2,566)
Capital Activities			
Cash Outflows			
Purchase of fixed assets		18,165	17,790
Cash Inflows			
Sale of fixed assets	(2,624)		(3,531)
Capital grants received - note 34	(4,064)		(2,232)
Other capital cash income	(10,063)		(3,112)
		(16,751)	(8,875)
Net cash (inflow) / outflow before financing - note 31		184	8,491
Management of Liquid Resources			
Net (increase) in short term deposits		(1,797)	(1,399)
Net decrease / (increase) in other liquid resources		1,091	(444)
Net (increase)/decrease in cash - note 32		(522)	6,648

Schedule of Notes to the Core Financial Statements

Income and Expenditure Account Notes

1	Benefits - Housing and Council Tax Payments and Government Grants	Pg 33
2	Trading Services	Pg 34
3	Agency Services	Pg 35
4	Authority as Lessor	Pg 36
5	Contributions from Capital Adjustment and Government Grants Deferred Accounts	Pg 37
6	Members' Allowances	Pg 37
7	Related Party Transactions	Pg 38-39
8	Audit Commission Fees	Pg 39
9	General Government Grants	Pg 40
10	Gain or loss on disposal of fixed assets	Pg 40
11	Impairment of Gross Value of tangible fixed assets	Pg 41-42
12	Remuneration of Senior Staff	Pg 42-45

Balance Sheet Notes

13	Movement of Intangible Assets	Pg 46
14	Movement of Tangible Fixed Assets	Pg 47-48
15	Capital Commitments	Pg 49
16	Financing of Capital Expenditure	Pg 49
17	Portfolio of Assets	Pg 50
18	Fixed Asset Valuation	Pg 51-52
19	Depreciation	Pg 53
20	Long Term Investments	Pg 53
21	Long Term Debtors – Mortgages	Pg 54
22	Debtors	Pg 55
23	Creditors	Pg 56
24	Deferred Credits	Pg 56
25	Pensions	Pg 57-81
26	Contingent Liabilities and Contingent Assets	Pg 61-62
27	Trust Funds	Pg 62-63
28	Financial Instruments	Pg 64-66

Cash Flow Statement Notes

29	General	Pg 67
30	Reconciliation of the Net Surplus/Deficit on the Income & Expenditure Account to the Revenue Activities Net Cash Flow	Pg 67
31	Analysis of Net Funds	Pg 68
32	Reconciliation of the Net Cash Flow to the Movements on Net Funds	Pg 68
33	Analysis of Other Government Grants - Revenue	Pg 68
34	Analysis of Capital Grants	Pg 69

Other – Reserves Notes

35	Movement in Revenue Reserves	Pg 70
36	Capital Receipts and Grants and Contributions Reserves	Pg 71
37	Available-for-sale Reserve	Pg 72
38	Revaluation Reserve	Pg 72
39	Capital Adjustment Account/Government Grants Deferred Account	Pg 73
40	Earmarked Reserves	Pg 74-76

Notes to the Core Financial Statements

The following notes explain various elements of the Core Financial Statements in much more detail.

Income and Expenditure Account Notes

1 Benefits - Housing and Council Tax Payments and Government Grants

Included in the income and expenditure figures for Housing Benefit Payments and Council Tax Benefit Payments are the following grant receipts and benefit payments:

	2009/10	2008/09
	£'000	£'000
Income		
Grants from the Department for Work and Pensions		
Rent Allowances	(22,837)	(19,798)
Council Tax Benefits	(6,068)	(5,441)
Administration subsidy	(747)	(662)
	(29,652)	(25,901)
Expenditure		
Rent Allowances	22,931	19,703
Council Tax Benefits	5,994	5,451
	28,925	25,154
Net Income	(727)	(747)

This note only includes the Housing/Council Tax Benefits paid by the authority to claimants and those amounts reimbursed to the authority by the Government. The figures in the Income and Expenditure Account also include other costs such as employees and supplies and services.

2 Trading Services

Trading services include the following activities:

	2009/10	2008/09
	£'000	£'000
Industrial, Commercial and Shops		
Income (rent and charges)	(2,780)	(2,535)
Expenditure	989	563
Expenditure - impairment	(345)	4,816
(Surplus) / deficit taken to Income & Expenditure Account	(2,136)	2,844
Provision Market, Bury St Edmunds		
Income (rent and charges)	(382)	(370)
Expenditure	275	269
(Surplus) taken to Income & Expenditure Account	(107)	(101)
Provision Market, Haverhill		
Income (rent and charges)	(57)	(60)
Expenditure	51	52
(Surplus) taken to Income & Expenditure Account	(6)	(8)
Total net (surplus) / deficit to Income & Expenditure Account	(2,249)	2,735

3 Agency Services

The Council manages Suffolk County Council's on-street parking, through our Car Parks team. The Council also carries out highways-related work, mainly in Bury St Edmunds, under a service agreement on behalf of Suffolk County Council. Work is for general and structural maintenance, but excludes gritting and lighting. The cost of work is reimbursed in line with the agreement. The net expenditure is part of Highways, Roads and Transport costs.

Work undertaken on behalf of Suffolk County Council	2009/10	2008/09
	£'000	£'000
On-Street Car Parking		
Income from parking fees	(752)	(841)
Expenditure		
Running expenses	101	36
Administration	261	252
	362	288
(Surplus) paid to Suffolk County Council	(390)	(553)
Highways Services Agreement		
Income		
Maintenance	(1,164)	(1,192)
Administration	(370)	(353)
Other	(11)	(10)
	(1,545)	(1,555)
Expenditure		
Council roads - maintenance	1,129	1,354
Administration	340	310
	1,469	1,664
(Surplus) / Deficit taken to Income and Expenditure Account	(76)	109

4 Authority as Lessor

With regard to the Council's property leases, £2.833m of rents were received in 2009/10 (£2.617m 2008/09).

The value of assets held at 31 March 2010 for use in property leases was £40.597m, net of £2.329m depreciation and £0.691m impairment.

The Council's property leases are included in several balance sheet categories and can be broken down as follows:

	Gross	Depreciation	Impairment	Net
	£'000	£'000	£'000	£'000
Operating land and buildings	43,019	(2,297)	(691)	40,031
Council dwellings	521	(32)		489
Investment properties	77			77
	43,617	(2,329)	(691)	40,597



Safe Play Area, Mildenhall Road Estate in Bury St Edmunds

5 Contributions from Capital Adjustment and Government Grants Deferred Accounts

Accounting practice requires depreciation, impairment and 'revenue expenditure funded from capital under statute' (known as 'REFFCUS') to be charged to the relevant services. To avoid these sums being a cost to the council tax payer, offsetting contributions have been made from the capital adjustment account and the government grants deferred account, as set out below.

	2009/10	2008/09
	£'000	£'000
Capital Adjustment Account		
Depreciation Reversal	2,473	1,823
Impairment Reversal	5,281	10,562
REFFCUS Reversal	338	608
	8,092	12,993
Government Grants Deferred Account		
Depreciation Reversal	(103)	(90)
Total Expenditure	7,989	12,903
Transfer from Capital Adjustment Account	(8,092)	(12,993)
Transfer from Government Grants Deferred Account	103	90
Total Transfers	(7,989)	(12,903)
Net Expenditure on Income and Expenditure Account	-	-

6 Members' Allowances

The totals of members' allowances paid in the year are set out in the table below. Further detail can be found on amounts paid to each individual member on page 81.

	2009/10	2008/09
	£	£
Basic allowance – members	233,955	230,418
Special responsibility – members	74,036	72,206
Basic allowance – non-members, standards committee	957	1,189
Special responsibility – non-members, standards committee	1,038	1,023

7 Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. The reason for this is to draw attention to the possibility that the reported position and results may have been affected by the existence of the related parties and by any material transactions with them.

Related Party 1: Central Government

Central Government is responsible for providing the statutory framework within which the Council operates, providing the majority of its funding in the form of grants and prescribing the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of transactions with government departments are set out in the Cash Flow Statement, including notes 33 and 34, and the Income and Expenditure account, including note 1.

Related Party 2: Abbeycroft Leisure Trust

On 1 April 2005, the Council entered into a 15 year contract with Abbeycroft Leisure for the operation of its two leisure centres, the athletics track and the management of the bookings of other sports facilities. Abbeycroft Leisure is a company limited by guarantee, with charitable status. It is run by a board of trustees, and the Council has the power to nominate up to two trustees, as long as the number nominated does not equal or exceed 20% of the total number of trustees.

The contract involved the transfer of leisure centre staff and leasing the leisure centres and athletics track to the trust at a peppercorn rent in return for a management fee to contribute to running costs. The management fee is agreed annually in advance, and is paid quarterly in advance. The Council is consulted on the business plans of Abbeycroft Leisure prior to the agreement of a management fee to the Company.

A management fee amounting to £697,000 was paid to the trust in 2009/10 compared to £924,000 in 2008/09. The management fee for both years included an allowance to reflect the additional costs to Abbeycroft associated with the closure of Haverhill Leisure Centre for refurbishment works. This management fee is included in the Income and Expenditure Account under Expenditure on Services – Recreation and Sport.

Related Party 3: Suffolk County Council & Forest Heath District Council

On 25 October 2007, St Edmundsbury Borough Council and Suffolk County Council established a joint committee for the purpose of overseeing the construction and operation of a new joint office building in Bury St Edmunds, West Suffolk House. The agreement between the Councils anticipates each authority sharing costs on a 50/50 basis. On 9 April 2008 St Edmundsbury Borough Council formed a joint working committee with Forest Heath District Council with the objective of delivering joint working arrangements within the two Councils' Waste Management and Street Scene Services.

These joint committees are accounted for as 'joint arrangements not involving an entity' i.e. each authority accounts for its share of costs and assets. The amounts of the Council's share of expenditure incurred by the West Suffolk House Joint Committee are included within the Council's income and expenditure account and balance sheet. No expenditure has yet been incurred in respect of the waste management joint committee.

Related Party 4:**Representation On Outside Bodies**

A number of Councillors serve on outside bodies which receive some form of support from the Council. This support predominately is financial but occasionally it can be in other forms. These bodies are listed below:

Abbeycroft Leisure Trust
 Brecks Partnership
 Bury St Edmunds Art Gallery
 Bury St Edmunds Citizens Advice Bureau
 Bury St Edmunds Volunteer Centre
 Bury St Edmunds Town Centre Management
 Bury St Edmunds YMCA
 Choose Suffolk
 Newbury Community Association
 Southgate Community Association
 Westbury Community Association
 Dedham Vale and Stour Valley
 East Of England Government Association
 Greater Cambridge Partnership
 Haverhill Citizens Advice Bureau
 Haverhill Town Council Leisure & Arts Committee
 Haverhill Volunteer Centre
 Local Government Association
 Suffolk Rail Policy Group
 Suffolk Sport
 Theatre Royal Board of Management
 West Stow Anglo-Saxon Village Trust.

Related Party 5:**Suffolk County Council and Suffolk Police Authority**

The Council has a statutory agency agreement

with Suffolk County Council and the Suffolk Police Authority to collect council tax on their behalf to meet their precepts. Under this arrangement the Council has collected £47,741,000 in 2009/10 (£46,181,000 in 2008/09) on their behalf. At 31 March 2010 the Council held debtors on behalf of Suffolk County Council and the Suffolk Police Authority totalling £1,075,000. The total sums collected for Suffolk County Council, Suffolk Police and St Edmundsbury Borough Council are shown in the Collection Fund (see page 78). The Income and Expenditure Account, Balance Sheet and Cashflow Statements show the council tax collected on behalf of the Council but excludes the agency transactions.

Related Party 6:**Central Government**

The Council has a statutory agreement with Central Government to collect non-domestic rates on its behalf. Under this arrangement the Council has collected £40,921,000 in 2009/10 (£37,592,000 in 2008/09). At 31 March 2010 the Council held non-domestic rate debtors on behalf of Central Government of £539,000. The total sums collected are shown in the Collection Fund (see page 78).

Related Party 7:**Members and Senior Officers**

During 2009/10 there were no material related party transactions involving members or senior officers of the Council.

8 Audit Commission Fees

The Council has paid the Audit Commission the following amounts in relation to the external audit and inspection work undertaken by them:

	2009/10	2008/09
	£'000	£'000
Code of Audit Practice Work - External Audit	109	112
Certifying grant claims	70	63
National Fraud Initiative	1	2
	180	177

9 General Government Grants

General government grants are grants that are not restricted to the delivery of a specific service. The Council received the following grants from Central Government:

	2009/10	2008/09
	£'000	£'000
Revenue Support Grant	(1,314)	(847)
Area Based Grant	(23)	(39)
Housing and Planning Delivery Grant	(306)	(109)
	(1,643)	(995)

10 Gain or loss on disposal of fixed assets

When an asset is disposed of, the carrying value in the Balance Sheet, less the receipt arising from its disposal, is written off to the Income and Expenditure Account. The gains and losses on disposals arising during the year are shown below.

	2009/10
	£'000
Other land and building	
No.6 Angel Hill	(134)
Nowton Court	(100)
Vehicles and plant	
Various	20
Investment properties	
Friars House, Homefield Business Park	(20)
Plot 4, Homefield Business Park	(10)
Surplus assets	
Borough Offices, Angel Hill	3
Alwyn House and Cottage	(16)
Retail Park, Phase 1, Eastlea Road	1
Other	
Havebury right to buy sales	(130)
Gain in 2009/10	(386)

11 Impairment of Gross Value of tangible fixed assets

The impact of the global financial crisis and the UK's recession has led to a significant fall in property values and a requirement to impair the values of certain properties. The aggregate impairment provision is £5,636,000 in 2009/10 of which £356,000 has been charged to previously established revaluation reserves.

	Total Impairment	Charged to Revaluation Reserve	Charged to Revenue
	£'000	£'000	£'000
Other land and building			
West Suffolk House	1,196	(30)	1,226
Haverhill Cinema	(709)	-	(709)
Haverhill Leisure Centre	2,412	-	2,412
Haverhill Cinema car park	670	268	402
2 Hollands Road	364	-	364
Bury St Edmunds Leisure Centre	371	-	371
St Edmundsbury House	328	93	235
Southgate Community Centre	207	-	207
	4,839	331	4,508
Furniture and equipment			
West Suffolk House furniture	45	-	45
Risbygate temporary toilets	73	-	73
	118	-	118
Dwellings			
Caretaker's bungalow	10	-	10
	10	-	10
Surplus assets			
Mount Farm Village Centre	500	-	500
Various	169	25	144
	669	25	644
	5,636	356	5,280

Where the asset is carried at cost or the asset has no revaluation reserve, the impairment is charged to the income and expenditure account. The exceptional impact on support services, trading services and non-distributable costs is detailed in the table below.

	Charged to Revenue			
	Support Services	Trading Services	Non Distributable costs	Other
	£'000	£'000	£'000	£'000
Other land and building				
West Suffolk House	1,226	-	-	-
Haverhill Cinema	-	(709)	-	-
Haverhill Leisure Centre	-	-	-	2,412
Haverhill Cinema car park	-	-	-	402
2 Hollands Road	-	364	-	-
Bury St Edmunds Leisure Centre	-	-	-	371
St Edmundsbury House	235	-	-	-
Southgate Community Centre	-	-	-	207
	1,461	(345)	-	3,392
Furniture and equipment				
West Suffolk House furniture	45	-	-	-
Risbygate temporary toilets	-	73	-	-
	45	73	-	-
Dwellings				
Caretaker's bungalow	10	-	-	-
	10	-	-	-
Surplus assets				
Mount Farm Village Centre	-	-	500	-
Various	-	-	144	-
	-	-	644	-
	1,516	(272)	644	3,392

However, since impairment is, for the purpose of statute, not charged to the council tax payer, the impairment is subsequently reversed out in the Statement of Movement on the General Fund.

12 Remuneration of Senior Staff

New requirements have been introduced to provide greater transparency and accountability to local taxpayers, in respect of the total remuneration package for the senior team charged with stewardship of the Council. The table below sets out the total remuneration paid to staff whose salary is £50,000 or more annually. Further details are also included regarding any expenses or benefits in kind and pension contributions paid to or on behalf of the employee.

2009/10	Salary (Including fees & allowances)	Expenses Allowances	Benefits in Kind (e.g. car allowances)	Total Remuneration excluding pension contributions	Pension contributions	Total Remuneration including pension contributions
Post holder information (Post title)	£	£	£	£	£	£
Chief Executive Officer	122,940	1,704		124,644	19,793	144,437
Corporate Director Economy & Environment	83,377		2,405	85,782	13,415	99,197
Corporate Director Community - note 1	40,435	65	1,734	42,234	6,356	48,590
Assistant Chief Executive/Corporate Director Community Services - note 2	70,407		380	70,787	11,335	82,122
Head of Planning & Economic Development	68,589		2,147	70,736	11,043	81,779
Head of Environmental Health & Housing	68,589	1,342		69,931	11,043	80,974
Head of Property & Engineering Services	66,908		2,097	69,005	10,772	79,777
Head of Legal & Democratic Services	66,908			66,908	10,772	77,680
Head of Human Resources & Organisational Development - note 3	57,868			57,868	9,316	67,184
Head of Waste, Street Scene Services & Projects	65,432		2,913	68,345	10,532	78,877
Head of Finance, ICT, Revs & Bens, Procurement & Audit	63,222			63,222	10,292	73,514
Head of Leisure	63,916		4,209	68,125	10,292	78,417
Head of Neighbourhood Management & Development - note 4	53,157			53,157	8,557	61,714
Head of Strategic Property	60,838			60,838	9,793	70,631
ICT & E-Services Manager	57,920		795	58,715	9,321	68,036
Deputy Chief Finance Officer	57,890			57,890	9,320	67,210
Revenues & Benefits Manager	57,890			57,890	9,320	67,210
Operations Manager - note 5	13,738	400		14,138	2,212	16,350
The Engineer	53,675	1,365		55,040	8,647	63,687
Development & Building Control Manager	52,400	1,310		53,710	8,436	62,146
Planning Policy & Specialist Services Manager - note 4	51,129	1,318		52,447	8,231	60,678
Audit Manager - note 4	51,153			51,153	8,231	59,384

2008/09	Salary (Including fees & allowances)	Expenses Allowances	Benefits in Kind (e.g. car allowances)	Total Remuneration excluding pension contributions	Pension contributions	Total Remuneration including pension contributions
Post holder information (Post title)	£	£	£	£	£	£
Chief Executive Officer - note 6	27,999			27,999	4,351	32,350
Chief Executive Officer - note 7	62,153	690		62,843	9,696	72,539
Corporate Director Economy & Environment	80,031		1,736	81,767	12,485	94,252
Corporate Director Community	87,357		4,838	92,195	13,616	105,811
Corporate Director Resources - note 8	20,280	316		20,596	3,152	23,748
Head of Chief Executive's Office/ Assistant Chief Executive - note 9	63,315			63,315	9,877	73,192
Head of Planning & Engineering	66,519		2,147	68,666	10,377	79,043
Head of Environmental Health & Housing	65,871	1,286		67,157	10,276	77,433
Head of Property Services	62,940		2,096	65,036	9,818	74,854
Head of Legal & Democratic Services	62,940			62,940	9,818	72,758
Head of Human Resources & Organisational Development - note 3	55,096			55,096	8,595	63,691
Head of Waste & Street Scene Services	65,942		2,913	68,855	10,287	79,142
Head of Finance, ICT, Revs & Bens & Audit	57,274			57,274	9,341	66,615
Head of Leisure	61,272		4,209	65,481	9,558	75,039
Head of Strategic Property	59,877			59,877	9,341	69,218
ICT & E-Services Manager	57,013		1,019	58,032	8,891	66,923
Deputy Chief Finance Officer	54,198			54,198	8,455	62,653
Revenues & Benefits Manager	54,198			54,198	8,455	62,653
The Engineer	52,551	1,226		53,777	7,986	61,763
Operations Manager	51,585	79	1,069	52,733	8,047	60,780
Development & Building Control Manager	51,585	1,235		52,820	8,047	60,867

Notes

- a Expenses allowances include the lump sum payment made in relation to essential car users and the taxable element of mileage allowance payments
- b Benefits in kind includes only employee lease cars
- c During 2009/10 financial year, the Senior Management structure was reviewed - Cabinet paper A155 on 29 July 2009 refers.
 - 1 The postholder vacated this post on 20 September 2009
 - 2 The postholder vacated the post of Assistant Chief Executive on 20 September 2009 and took up the post of Corporate Director Community Services. The post of Assistant Chief Executive was subsequently disestablished
 - 3 The current postholder works 32 hours per week
 - 4 The postholders are only included from 2009/10, when their annual salaries exceeded the £50,000 threshold
 - 5 The postholder vacated this post on 30 June 2009
 - 6 The postholder vacated this post on 29 June 2008
 - 7 The postholder started in this post on 29 September 2008
 - 8 The postholder vacated this post on 29 June 2008 and the post was disestablished
 - 9 The postholder vacated the post of Head of Chief Executive's Office on 20 July 2008 and became the Assistant Chief Executive.

The table below lists the number of employees whose total remuneration, excluding employer's pension contributions, was £50,000 or more (in bands of £5,000).

Remuneration Band	Number of Employees	
	2009/10	2008/09
£50,000 - £54,999	1	2
£55,000 - £59,999	0	1

These bandings only include the remuneration of senior employees which have not been disclosed individually.

Balance Sheet Notes

46

13 Movement of Intangible Assets

Intangible Assets are comprised of software for new computer systems. The software is depreciated over five years, and the depreciation is written off to the Income and Expenditure Account.

	Purchased Software Licences
	£'000
Valuation at 31 March 2009	157
Accumulated amortisation	(111)
Balance at 1 April 2009	46
Movements in 2009/10	34
Amortisation written-off to revenue	(35)
Balance at 31 March 2010	45



Abbey Gardens in Bury St Edmunds

14 Movement of Tangible Fixed Assets

Operational Assets	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2009	850	70,041	6,474	821	78,186
Additions	-	-	-	-	-
Transfer from assets under construction	-	6,447	415	368	7,230
Disposals	-	(600)	(477)	-	(1,077)
Reclassifications	-	(3)	-	-	(3)
Revaluations	-	1,247	-	-	1,247
Impairment	-	(4,412)	-	-	(4,412)
At 31 March 2010	850	72,720	6,412	1,189	81,171
Depreciation and Impairments					
At 1 April 2009	(37)	(2,840)	(3,613)	(28)	(6,518)
Charge for 2009/10	(13)	(1,665)	(689)	(39)	(2,406)
Disposals	-	40	363	-	403
Revaluations	-	66	-	-	66
Impairment	-	(99)	(45)	-	(144)
At 31 March 2010	(50)	(4,498)	(3,984)	(67)	(8,599)
Balance sheet amount at 31 March 2010	800	68,222	2,428	1,122	72,572
Balance sheet amount at 1 April 2009	813	67,201	2,861	793	71,668
Nature of asset holding					
Freehold	800	68,222	2,428	1,122	72,572
Finance Lease	-	-	-	-	-
	800	68,222	2,428	1,122	72,572

Non-Operational Assets	Investment Properties	Assets under construction	Surplus Assets, held for disposal	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2009	77	11,455	5,508	17,040
Additions	-	14,267	-	14,267
Transfer to operational assets	-	(7,264)	-	(7,264)
Disposals	-	-	(2,092)	(2,092)
Reclassifications	-	-	3	3
Revaluations	-	-	292	292
Impairment	-	-	(595)	(595)
At 31 March 2010	77	18,458	3,116	21,651
Depreciation and Impairments				
At 1 April 2009	-	-	(33)	(33)
Charge for 2009/10	-	-	(33)	(33)
Disposals	-	-	66	66
Revaluations	-	-	-	-
Impairment	-	-	-	-
At 31 March 2010	-	-	-	-
Balance sheet amount at 31 March 2010	77	18,458	3,116	21,651
Balance sheet amount at 1 April 2009	77	11,455	5,475	17,007
Nature of asset holding				
Freehold	77	18,458	3,116	21,651
Finance Lease	-	-	-	-
	77	18,458	3,116	21,651
Grand total of net book values as at 31 March 2010				94,223

15 Capital Commitments

As at 31 March 2010, the Council had the following major capital commitments:

	Commitment	Gross budget for scheme
	£'000	£'000
Affordable housing schemes	445	445
Bury Leisure Centre	400	4,485
Haverhill Community Football	483	1,908
Haverhill Depot Relocation	19	1,710
5 Ford Transit tippers	96	96
Apex (Public Venue, Cattle Market)	1,988	16,985

16 Financing of Capital Expenditure

	2009/10	2008/09
	£'000	£'000
Capital Expenditure		
Fixed assets		
Additions	14,302	21,670
Assets written out to capital adjustment account	260	224
Revenue expenditure funded from capital under statute	984	984
	15,546	22,878
Financing		
Capital receipts	(11,999)	(21,002)
Revenue	(291)	(476)
Grants and contributions	(2,610)	(1,025)
Grants and contributions – REFFCUS	(646)	(375)
	(15,546)	(22,878)

17 Portfolio of Assets

The Council owns a wide range of assets, which include the following:

Portfolio of Council Assets	31 March 2010	31 March 2009
	Number of assets	Number of assets
Operational Buildings		
Council offices including Tourist Information Centre/shopmobility	3	3
Public halls	3	3
Depots, workshops and cemeteries	4	4
Museums including museum storage	2	2
Bus stations	2	2
Car parks	16	17
Public conveniences	6	6
Country parks, gardens and nature reserves	4	4
Monuments	1	1
Leisure centres and athletics track (leased to Abbeycroft Leisure)	3	3
Land and buildings leased for social activities, including community centres	16	17
Land and buildings used for sport and recreation	24	24
Non-Operational Assets		
Shopping parades and commercial ground leases	27	27
Individual and grouped factories, including starter units and ground leases	9	9
Residential, including affordable housing units and service tenancies	18	18
Community assets and infrastructure		
Open space, highways and footpaths (recently constructed)	121	122
Land awaiting development (surplus land and buildings)		
Total number of assets	20	21
Total area of surplus land (hectares)	17.30	12.18

In addition, the council owns community assets such as public open spaces and museum exhibits.

18 Fixed Asset Valuation

The freehold and leasehold properties which comprise the Authority's property portfolio have been valued by the Council's Corporate Property Officer - Mrs Betty Albon, BA MCD MRTPI FRICS - in accordance with the Statement of Asset Valuation Practice and Guidance Notes of The Royal Institute of Chartered Surveyors, except that not all the properties were inspected. This was neither practical nor considered necessary for the purpose of the valuation.

Plant and machinery, where included in a building, is included in the valuation of the building.

Properties regarded by the Council as **operational** were valued on the basis of existing use or, where this could not be assessed because there is no market for the asset, the depreciated replacement cost.

Properties regarded by the Council as **non-operational** have been valued on the basis of market value.

Properties owned by the Council for **investment purposes** only have been

disaggregated from other property, and are valued at market value.

The Council has a rolling programme to value all properties every five years. However, any material changes in value which arise outside the normal five year cycle are implemented in the year in which they occur.

Vehicles and plant are valued at historic cost less depreciation, as a proxy for current replacement cost.

Infrastructure assets are valued at historic cost less depreciation.



Bus Station in Bury St Edmunds

Operational Assets

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Total
	£'000	£'000	£'000	£'000	£'000
Valued at Historic Cost	-	-	6,330	1,189	7,519
Valued at current value in:					
Additions					
2005/06	-	8,466	-	-	8,466
2006/07	515	28,769	-	-	29,284
2007/08	-	2,234	82	-	2,316
2008/09	335	32,449	-	-	32,784
2009/10	-	802	-	-	802
Total	850	72,720	6,412	1,189	81,171

Non-Operational Assets

	Investment Properties	Assets under construction	Surplus Assets, held for disposal	Total
	£'000	£'000	£'000	£'000
Valued at Historic Cost	-	18,458	-	18,458
Valued at current value in:				
Additions				
2005/06	-	-	-	-
2006/07	-	-	-	-
2007/08	-	-	-	-
2008/09	-	-	-	-
2009/10	77	-	3,116	3,193
Total	77	18,458	3,116	21,651
Grand Total				102,822

19 Depreciation

Depreciation is charged on all Council assets, except investment properties and assets under construction. Operational buildings where the remaining useful life is estimated to exceed 50 years are normally depreciated using a 50 year estimated life; the main exceptions being in respect of major building developments completed during 2008/09 (e.g. the West Suffolk House office complex and the new town centre underground car park development in Bury St Edmunds) which have been depreciated over 60 years to more accurately reflect their estimated expected useful life. Depreciation is calculated on a straight-line basis over the estimated remaining useful lives of the assets, which are set out in the table below.

Class of Assets	Remaining useful life (years)	Total depreciation charged 2009/10
		£'000
Intangible assets (computer software)	2 - 10	35
Council dwellings	50	13
Other land and buildings	1 - 60	1,665
Vehicles, plant and equipment	0 - 20	689
Infrastructure assets	25 - 50	39
Surplus assets held for disposal	50	33
		2,474

The range of useful lives reflects the individual nature of the assets concerned. All dwellings have estimated lives of over 50 years.

20 Long Term Investments

These represent the external investment of surplus funds in deposits in banks and building societies, unit trusts, the stock exchange and other investments.

	31 March 2010		31 March 2009	
	Book Value	Market Value	Book Value	Market Value
	£'000	£'000	£'000	£'000
Stock exchange and unit trusts	50	345	50	234
Banks and building societies	7	7	10,008	10,051
	57	352	10,058	10,285

21 Long Term Debtors – Mortgages

Mortgages are net of any expenditure financed from capital receipts.
Details are shown below:

	2009/10		2008/09	
	£'000	£'000	£'000	£'000
Balances brought forward				
Former council dwellings	8		10	
Other	310		326	
		318		336
Repayments				
Former council dwellings	(2)		(2)	
Other	(17)		(16)	
		(19)		(18)
Balances carried forward				
Former council dwellings	6		8	
Other	293		310	
		299		318



Skate park in Bury St Edmunds

22 Debtors

	31 March	
	2010	2009 Restated
	£'000	£'000
Amounts falling due within one year:		
Government departments	1,277	1,775
HM Revenue and Customs	127	133
Other local and public authorities	1,823	1,902
Non-domestic ratepayers	15	15
Council tax payers	545	495
Capital debtors	185	160
Sundry debtors	3,739	2,120
	7,711	6,600
Provision for bad debts:		
Council tax payers	(75)	(69)
Other	(877)	(555)
	(952)	(624)
Net total debtors due within one year	6,759	5,976
Amounts falling due after one year:		
Car loans to employees	23	24
Car leasing scheme	33	30
Deferred sale	380	-
Total debtors due after one year	436	54
Total debtors	7,195	6,030

Debtors Of the £7,195,000 total debt outstanding at 31 March 2010, £2,448,000 has exceeded its due date for payment and is analysed by age as follows:

	31 March	
	2010	2009
	£'000	£'000
Less than three months	2,029	1,701
Three to six months	227	96
Six months to one year	28	20
More than one year	164	69
Total	2,448	1,886

23 Creditors

	31 March	
	2010	2009 Restated
	£'000	£'000
Council tax payers	(77)	(78)
Government departments	(3,949)	(2,895)
Sundry creditors	(5,394)	(5,124)
Capital creditors	(1,411)	(4,958)
	(10,831)	(13,055)

Debtor and Creditor Estimation Techniques

The Council uses estimation techniques in the following areas:

- Establishing provisions for bad debts. In respect of General Fund Debtors, the Council uses an aged debt analysis, together with experience of debt recovery. The provision for bad debts in relation to the Collection Fund is based upon the stage within the debt recovery process at which individual accounts stand.
- Debtors/creditors relating to the calculation of housing benefit subsidy. Past year claims experience is referenced to current year expenditure.

24 Deferred Credits

These are the value of mortgages and deferred payments which will be received in instalments over an agreed period of time.

	31 March	
	2010	2009
	£'000	£'000
Deferred payment of council house sales	(6)	(8)
Other	(293)	(310)
	(299)	(318)

25 Pensions

Participation in the pension scheme

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

Transactions relating to retirement benefits

The cost of retirement benefits (shown below in the 'Net Cost of Services') is recognised in the Income and Expenditure Statement when the benefits are earned by employees, rather than when they are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash paid to the pension fund in the year. The difference between the two sums is reflected in the Statement of Movement in the General Fund Balance, as shown below:

	2009/10	2008/09
	£'000	£'000
Income and Expenditure Account		
<i>Net cost of services:</i>		
Current service cost	1,243	1,633
Past Service cost	49	651
Curtailement and settlements	11	-
<i>Net operating expenditure:</i>		
Interest cost	5,585	5,756
Return on assets	(3,747)	(5,517)
Amount charged to income and expenditure account	3,141	2,523
Statement of Movement on the General Fund Balance		
Reversal of net charges made for retirement benefits in accordance with FRS 17	(3,141)	(2,523)
Employer's contributions payable to the SCC Pension Fund and retirement benefits payable direct to pensioners	2,119	2,104

In addition to the recognised gains and losses included in the Income and Expenditure Account, actuarial losses of £27,565,000 (£16,624,000 in 2008/09) were included in the Statement of Total Recognised Gains and Losses. The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses is £50,552,000.

Assets and liabilities in relation to retirement benefits

	2009/10	2008/09
	£'000	£'000
Reconciliation of present value of the scheme liabilities:		
1 April	(81,282)	(83,285)
Current service cost	(1,243)	(1,633)
Interest cost	(5,585)	(5,756)
Contributions by scheme participants	(793)	(789)
Actuarial gains and (losses)	(43,215)	7,034
(Losses) on curtailments	(11)	-
Benefits paid	3,802	3,541
Unfunded benefits paid	272	257
Past service costs	(49)	(651)
31 March	(128,104)	(81,282)

	2009/10	2008/09
	£'000	£'000
Reconciliation of fair value of the scheme assets:		
1 April	59,095	78,141
Expected rate of return	3,747	5,517
Actuarial gains and (losses)	15,650	(23,658)
Employer contributions	1,847	1,847
Unfunded benefits contributions	272	257
Contributions by scheme participants	793	789
Benefits paid	(3,802)	(3,541)
Unfunded benefits paid	(272)	(257)
31 March	77,330	59,095

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 rate 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 estimated actual return on scheme assets in the year was 33.1% (2008/09 minus 23.0%).

Scheme history

	Year to 31 March 2010	Year to 31 March 2009	Year to 31 March 2008	Year to 31 March 2007	Year to 31 March 2006
	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	(128,104)	(81,282)	(83,285)	(91,190)	(91,363)
Fair value of assets	77,330	59,095	78,141	83,294	72,684
(Deficit) in the scheme	(50,774)	(22,187)	(5,144)	(7,896)	(18,679)

The council has elected to restate fair value of scheme assets for all years.

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £128,104,000 has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance of £50,774,000.

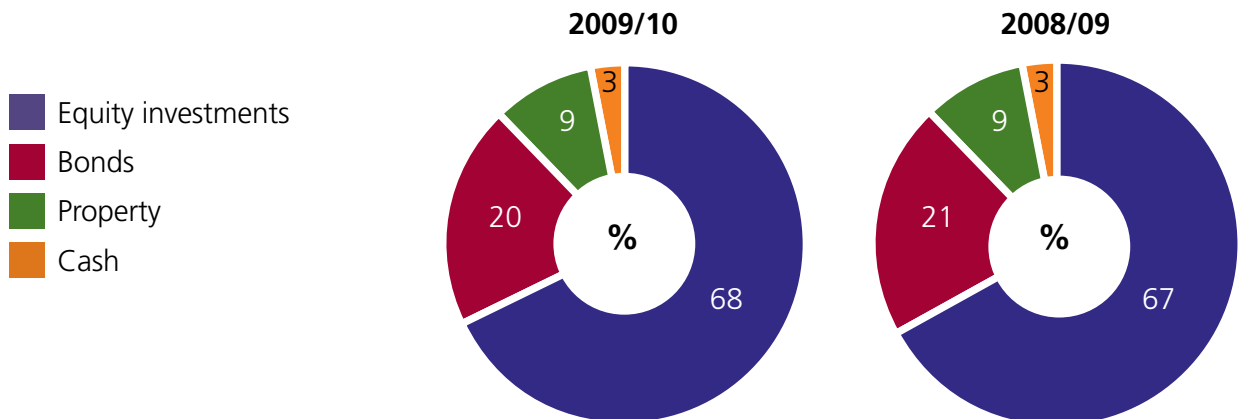
The total contributions made to the scheme by the council in the year to 31 March 2010 is £1,955,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2007.

	2009/10	2008/09
Long-term expected rate of return on assets in the scheme:		
Equity investments	7.8 %	7.0 %
Bonds	5.0 %	5.6 %
Property	5.8 %	4.9 %
Cash	4.8 %	4.0 %
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.8 years	19.6 years
Women	24.1 years	22.5 years
Longevity at 65 for future pensioners:		
Men	22.3 years	20.7 years
Women	25.7 years	23.6 years
Rate of inflation	3.8 %	3.1 %
Rate of increase in salaries	5.3 %	4.6 %
Rate of increase in pensions	3.8 %	3.1 %
Rate of discounting scheme liabilities	5.5 %	6.9 %
Take-up of option to convert annual pension into retirement lump sum - pre-April 2008 service	25 %	25 %
Take-up of option to convert annual pension into retirement lump sum - post-April 2008 service	63 %	

The scheme's assets consist of the following categories, by proportion of the total assets held:



History of experience gains and losses

The actuarial gains and losses identified as movements on the Pension Reserve in 2009/10 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2010:

	Year to 31 March 2010	Year to 31 March 2009 as restated	Year to 31 March 2008 as restated	Year to 31 March 2007	Year to 31 March 2006
	%	%	%	%	%
Differences between the expected and actual return on assets	20.2	(40.0)	(12.2)	0.9	13.5
Experience gains / (losses) on liabilities	(0.1)	-	(1.3)	(0.1)	1.0

26 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Concessionary Fares: The Council provides financial support to the national concessionary bus scheme, by making contributions to bus operators based on a statistical assessment of public transport usage by concession users. This is funded by central government, although the level of funding is not necessarily the same as the actual cost of the scheme. Presently, some operators are contesting the fairness of the contribution arrangements that applied for the financial period from 1 April 2007 to 31 March 2010 and are seeking a higher contribution from the Council. The authority is contesting this claim and has made no provision in the accounts for additional expenditure.

The outcome of the dispute cannot be presently determined. However, in the Council's opinion, the maximum additional liability that might arise in respect of the financial period up to 31 March 2010 should not exceed £300,000.

Insurance: In 1993 Municipal Mutual Insurance (MMI), our insurer at that time, stopped accepting new business. MMI and its policy

holders, including local authorities, set up a scheme of arrangement to allow for the orderly treatment of the outstanding liabilities of the company. Under the scheme, MMI can reclaim, from policy holders, part of any sums paid out against MMI insurance claims since 1993. The total amount that could potentially be subject to reclaim is estimated to be £180,000. The risk of this happening is currently assessed as low.

Contingent Assets

VAT on Car Parking Charges: The Council have an outstanding claim against HMRC for VAT which has been paid in respect of off-street car parking charges, but which may be refunded to the Council pending the outcome of a joint legal test case begun in 2006 by four local authorities (i.e. the Isle of Wight Council, West Berkshire Council, Mid-Suffolk District Council and South Tyneside Metropolitan Borough Council). The matter has been referred to the High Court, having previously been considered by the VAT and Duties Tribunal and the European Court of Justice. The value of claims submitted to date is £3.5m and covers the period July 1999 to March 2010. There is

a potential for future on-going reductions in VAT payments to the value of about £0.4m per annum.

VAT Compound Interest Claim: A recent High Court decision in the Cars 'Group Litigation Order' (GLO) indicated that, in certain circumstances, compound interest may be claimed from HMRC where VAT has previously been overpaid as a result of HMRC error. This matter is currently subject to consideration by the Court of Appeal. A claim has been lodged

by the Council which has been stood over behind this Court of Appeal case. In addition to seeking compound interest in respect of past refunds made by HMRC, the claim also covers the future potential refund of VAT paid on off-street car parking. The outcome of these claims is difficult to predict, but based on overpayments already refunded by HMRC the estimated value of the Council's claim is in the region of £330,000.

27 Trust Funds

The Council acts as trustees for the three trust funds shown below. These do not represent assets of the Council and they have not been included in the balance sheet.

	Balance at 31 March 2009	Income	Expenditure	Balance at 31 March 2010
	£	£	£	£
West Stow Anglo-Saxon Village Trust	(5,713)	(60,873)	61,530	(5,056)
Gershom Parkington Memorial Trust	(10,601)	(246)	-	(10,847)
94th Bomb Group Memorial Association	(19,583)	(444)	4,205	(15,822)
	(35,897)	(61,563)	65,735	(31,725)

There are no formal investments for the trust funds, but notional interest is credited from the General Fund, based on the average rate of interest earned on the authority's own investments of 2.32%. This amounted to:

	2009/10
	£
West Stow Anglo-Saxon Village Trust	(160)
Gershom Parkington Memorial Trust	(246)
94th Bomb Group Memorial Association	(444)
	(850)

West Stow Anglo-Saxon Village Trust

The West Stow Anglo-Saxon Village Trust was set up in 1976 to manage the site of the reconstructed Anglo-Saxon village and to employ staff to continue the reconstructions. It is a registered charity, number 272897.

In 1992 the Trust entered a formal partnership with the Borough Council whereby the Council would employ all the staff and undertake the practical work of the Trust on its behalf in return for a service charge equivalent to the admission charges levied for entry to the village. The Trust oversees policy matters and the archaeological integrity of all works undertaken on the site at West Stow.



West Stow Anglo Saxon Village

Gershom Parkington Memorial Trust

The Gershom Parkington Memorial Trust was inaugurated on 24 June 1983. It is a registered charity, number 286836.

The Trust exists to advance the education of the public in understanding the development and history of horology, and in furtherance of this objective:

- to acquire, repair and donate to the John Gershom Parkington Collection time measuring instruments (clocks) and equipment used in connection therewith;
- to organise exhibitions, publish leaflets, raise funds and receive donations;
- to contribute money to the Borough Council for the purpose of adding to or enhancing the Collection.

94th Bomb Group Memorial Association Fund

The fund was established on 25 September 1990 by agreement between the Council and the 94th Bomb Group Memorial Association.

The purpose of the fund was to provide a home for the funds of the Association prior to its official winding up in the USA, which was expected due to the advancing age of its membership.

The initial donation (from the Association) was £6,600 for the purposes of:

- the general maintenance, as necessary, of the American War Memorial in the Abbey Gardens, Bury St Edmunds;
- the beautification of the Appleby Rose Garden and the replacement of trees and shrubs in that area;
- such other purposes as may be mutually agreed between the Association and the Council.

28 Financial Instruments

The investments disclosed in the balance sheet are made up of the following categories of financial instruments:

Financial Instruments - Investments

	Long - term		Current	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009 Restated
	£'000	£'000	£'000	£'000
Investments				
Loans and receivables	7	10,051	28,637	30,433
Available-for-sale financial assets	345	234	-	-
Total investments	352	10,285	28,637	30,433

In these disclosure notes, financial instruments are also required to be shown at fair value. The fair value of the investments is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payments due in the future, in today's terms. The fair value of each class of investments which are carried in the balance sheet at amortised cost at 31 March 2010 was £7,500 for long term investments (compared with £10,391,496 at 31 March 2009) and £28,722,354 for short term investments (£30,551,873 at 31 March 2009). In overall terms fair value of the investments is £85,459 more than the book value at 31 March 2010 (fair value at 31 March 2009 being £458,750 more than book value). The fair value at 31 March 2010 is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date.

Nature and Extent of Risks Arising from Financial Instruments

The Council's treasury management staff work actively to minimise the Council's exposure to

the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

(i) Credit Risk

Credit risk arises from the possibility that other parties fail to pay amounts due to the Council. The Council's Annual Treasury Management and Investment Strategy requires that deposits are only placed with a limited number of high quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers (Sector) or, for non rated building societies, subject to their meeting minimum financial criteria (based on asset base size). The unprecedented nature of the current banking crisis has forced all local authorities to actively review their lending criteria (i.e. their approach to assessing the credit-worthiness of banks and financial institutions together with the maximum duration and value of investments).

The Council's original lending criteria for 2009/10 was set out in the Annual Treasury Management and Investment Strategy 2009/10, which was approved by Cabinet on 11 February 2009 (paper Z517 refers). The criteria were subject to two formal reviews by the Council's Cabinet during the year; in July 2009 (paper A145 refers) and October 2009 (paper A252 refers). The reviews resulted in a significant tightening of the Council's credit-worthiness criteria (thereby reducing the number of organisations with which the Council can place investments) together with substantial reductions in the duration and value of investments that can be held with individual institutions (in order to limit and spread credit risk).

The tables below shows the credit criteria applicable at the 1 April 2009 and 31 March 2010:

Credit Criteria: Rated Banks and Institutions

Sector Colour Code Key*	Credit Criteria 1 April 2009	Credit Criteria 31 March 2010
Purple	£10m for max 5 years	Max 20% portfolio (approx £8m) for max 2 years
Orange	£10m for max 2 years	£6m for max 1 year
Red	£10m for max 1 year	£5m for max 6 months
Green	£5m for max 3 months	£3m for max 2 months
Blue (nationalised / substantially owned by the UK government)	n/a	£8m for max 1 year

Credit Criteria: Rated Building Societies

Sector Colour Code Key*	Credit Criteria 1 April 2009	Credit Criteria 31 March 2010
Red	£10m for max 5 years	£5m for max 1 year
Green	£50m for max 5 years	£5m for max 1 year

Credit Criteria: Non-Rated Building Societies

Asset Base**	Credit Criteria 1 April 2009	Credit Criteria 31 March 2010
Asset base > £2,500m	£5m for max 3 years	£3m for max 6 months
Asset base > £1,000m	£5m for max 3 years	£2.5m for max 6 months

* In order to simplify the complex system of commercial credit ratings, Sector has developed a system of colour codings which reflect the relative strengths of individual banking institutions. Details of these colour codings are provided in the Council's annual Treasury Management and Investment Strategy.

** Further restrictions on non-rated building societies include a requirement for societies to be covered by the Government's banking support package.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience and current market conditions. The Council did not have any money placed with Icelandic banks at the time of their collapse and has not lost any money on deposits with banks or other financial

institutions (e.g. building societies). No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to its deposits with banks and other financial institutions.

	Amounts at 31 March 2010	Historical experience of default	Historical experience adjusted for market conditions as at 31 March 2010	Estimated maximum exposure to default and uncollect- ability
	£'000	%	%	£'000
Deposits with banks and other financial institutions	35,339	0	0	-
Customers of the Council	2,448	0.16	0.16	25
	37,787			25

(ii) Liquidity Risk

Liquidity risk arises from the possibility that the Council may not have sufficient funds available to meet its commitments to make payments. The Council is debt free and its financial plans (set out in the Medium Term Financial Strategy) seek to ensure that sufficient funds are maintained to cover annual expenditure commitments. In the event of an unexpected cash requirement the Council has sufficient balances to cover day-to-day cash flow needs. If necessary the Council has ready access to borrow funds via the money markets and the Public Works Loans Board. There is therefore no significant risk that the Council will be unable to raise finance to meet its commitments.

(iii) Market Risk

Market risk arises from the possibility that the Council may be required to renew a financial instrument on maturity at disadvantageous interest rates or terms. The Council has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget. According to this assessment strategy, at 31 March 2010, if interest rates had been 1% higher with all other variables held constant, the financial effect would be an increase in interest receivable on variable rate investments of £68,650. The Council does not generally invest in equity shares but does have historical shareholdings totalling £345,000. As such the Council is exposed to the risk of losses arising from movements in the value of these shares. As a general guide a 5% movement (positive or negative) in the value of these shares would result in a £17,250 gain or loss.

Cash Flow Statement Notes

29 General

The cash flow statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

30 Reconciliation of the Net (Surplus)/Deficit on the Income & Expenditure Account to the Revenue Activities Net Cash Flow

	2009/10		2008/09 Restated	
	£'000	£'000	£'000	£'000
Deficit for the year		8,233		12,738
Non-cash transactions				
Add: Depreciation & Impairment charges	(7,754)		(12,385)	
FRS 17 Transactions	(1,022)		(419)	
Deferred grants amortised in year	103		90	
Net gain on sale of fixed assets	491		33	
Transfer from capital receipts	(1)		(1)	
		(8,183)		(12,682)
Items on an accruals basis				
Add: Increase in revenue debtors	721		1,878	
(Decrease) / Increase in stocks	(6)		9	
(Increase) in revenue creditors	(1,995)		(2,367)	
		(1,280)		(480)
Items included in another classification				
Less: Interest paid	-		2	
Add: Interest received	1,112		2,566	
		1,112		2,568
Net cash (inflow) / outflow		(118)		2,144

31 Analysis of Net Funds

	Balance 1 April 2009	Cash Flows	Balance 31 March 2010
	£'000	£'000	£'000
Cash	6,595	522	7,117
Short term investments	30,433	(1,797)	28,636
Other liquid resources	524	1,091	1,615
	37,552	(184)	37,368
Long term investments	10,285	(9,932)	353
	47,837	(10,116)	37,721

32 Reconciliation of the Net Cash Flow to the Movements on Net Funds

	2009/10		2008/09	
	£'000	£'000	£'000	£'000
(Increase)/Decrease in cash in the period	(522)		6,648	
Cash flow from decrease in liquid resources	706		1,843	
Movement in net funds in the period		184		8,491
Net funds at 1 April		(37,552)		(46,043)
Net funds at 31 March		(37,368)		(37,552)

33 Analysis of Other Government Grants – Revenue

	2009/10	2008/09
	£'000	£'000
Economic Development	(1,856)	(2,350)
Planning Services	(348)	-
Waste Management	7	(47)
Concessionary Travel	(300)	(293)
Benefits Administration	(779)	(682)
Other	67	(104)
	(3,209)	(3,476)

34 Analysis of Capital Grants

	2009/10	2008/09
	£'000	£'000
Arts Development	(1,370)	(490)
Economic Development	(329)	(150)
Affordable Housing	(424)	-
Sports Development	(405)	-
Other	(1,536)	(1,592)
	(4,064)	(2,232)

35 Movement in Revenue Reserves

The movement in revenue reserves is summarised below. Further analysis and explanation of the purpose of each earmarked reserve is given in note 40.

	General Fund Balances	Collection Fund Balances Adjustment Account	Earmarked Revenue Reserves	Pension Reserve
	£'000	£'000	£'000	£'000
Deficit/(Surplus) for 2009/10	(44)	(54)	101	
Appropriations from revenue				1,022
Actuarial losses				27,565
Movements in year	(44)	(54)	101	28,587
Balance brought forward at 1 April 2009	(2,632)	55	(12,617)	22,187
Balance carried forward at 31 March 2010	(2,676)	1	(12,516)	50,774

36 Capital Receipts and Grants and Contributions Reserves

The movement in Capital Receipts and Grants and Contributions is shown below:

	2009/10	2008/09
	£'000	£'000
a) Capital Receipts		
Amounts received in year	(2,733)	(2,130)
Amount paid to Housing Pooled Capital Receipts	1	1
Amounts applied to finance new capital investment	11,999	21,002
Total decrease in realised capital resources in year	9,267	18,873
Balance brought forward at 1 April	(22,099)	(40,972)
Balance carried forward at 31 March	(12,832)	(22,099)
b) Grants and Contributions		
Amounts received in year	(4,126)	(2,322)
Amounts paid to other local authorities or transferred to other accounts	91	-
Amounts applied to finance capital investment	2,699	1,035
Total increase in realised capital resources in year	(1,336)	(1,297)
Balance brought forward at 1 April	(2,268)	(971)
Balance carried forward at 31 March	(3,604)	(2,268)
Total Balance of Capital Receipts and Grants and Contributions at 31 March	(16,436)	(24,367)

37 Available-for-sale Reserve

On 31 March 2007 the accounting requirements changed so that the investments held in unit trusts and listed stock exchange investments are now shown at fair value rather than historical cost. The accumulated surplus on the investments is now shown in the available-for-sale reserve.

	2009/10	2008/09
	£'000	£'000
Balance brought forward at 1 April	(183)	(304)
Movement in the year - (gains) / losses on revaluation	(111)	121
Balance carried forward at 31 March	(294)	(183)

38 Revaluation Reserve

On 31 March 2007 accounting requirements changed so that revaluation gains or losses on fixed assets were recognised in a newly created Revaluation Reserve. The opening balance of this reserve was zero. The reserve records the accumulated gains on the fixed assets held by the authority arising from increases in value, as a result of inflation or other factors. Gains arising before that date were consolidated into the Capital Adjustment Account.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Investment Properties	Surplus Assets, held for disposal
	£'000	£'000	£'000	£'000	£'000
Balance brought forward at 1 April 2009	(41)	(1,949)	(2)	-	(1,250)
Revaluation gains	(9)	(1,253)	-	-	(292)
Written out on impairment	-	331	-	-	25
Written out on disposal	-	134	-	-	970
Balance carried forward at 31 March 2010	(50)	(2,737)	(2)	-	(547)
Grand total of balances as at 31 March 2010					(3,336)

39 Capital Adjustment Account/Government Grants Deferred Account

The Capital Adjustment Account and Government Grants Deferred Account accumulate the write down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. They accumulate the resources that have been set aside to finance capital expenditure. The balance on the Accounts thus represent timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements. The movements on the accounts are summarised below:

	2009/10		2008/09	
	Capital Adjustment Account	Gov. Grants Deferred Account	Capital Adjustment Account	Gov. Grants Deferred Account
	£'000	£'000	£'000	£'000
a) Movements in amounts set aside to finance capital investment				
Capital receipts set aside in year				
- usable receipts applied	(11,999)		(21,002)	
- capital grants and contributions applied		(2,610)		(1,025)
Total capital receipts set aside in year	(11,999)	(2,610)	(21,002)	(1,025)
b) Revenue resources set aside in year:				
- capital expenditure financed from revenue	(291)		(476)	
- write down of REFFCUS	984		984	
- write down of grants to fund REFFCUS	(646)		(375)	
- write down of government grants deferred	(103)		(90)	
Total revenue resources set aside in year	(56)	-	43	-
c) Adjustments to the valuation of Fixed Assets				
- Value of assets sold, disposed of or decommissioned	1,119		1,877	
- Expenditure on assets not enhancing value written out	298		224	
- Loss on impairment of assets	5,280		10,562	
- Depreciation adjustment on revalued fixed assets	(60)		(60)	
	6,637		12,603	
d) Amounts credited to the statement of movement on the General Fund Balance	2,473	103	1,823	90
Total decrease in amounts set aside to finance capital investment in year	(2,945)	(2,507)	(6,533)	(935)
Balance at 1 April	(84,763)	(1,550)	(78,230)	(615)
Balance at 31 March	(87,708)	(4,057)	(84,763)	(1,550)

40 Earmarked Reserves

	1 April 2009	Net Transfers to / (from) Revenue Account	31 March 2010
	£'000	£'000	£'000
Museums - Gershom Parkington Bequest reserve	(514)	(5)	(519)
Museums - other reserves	(114)	45	(69)
Environmental improvements	(32)	8	(24)
Building repairs	(1,398)	(44)	(1,442)
Self insured reserve	(191)	103	(88)
Wheeled bins	(291)	75	(216)
Car park reserve	(10)	(214)	(224)
Planning services reserve	(384)	(330)	(714)
Vehicle and plant	(3,296)	354	(2,942)
Mechanical office equipment	(773)	81	(692)
Computer equipment	(99)	4	(95)
Special pension reserve	(487)	59	(428)
Income from private developers	(462)	41	(421)
Revenue costs arising from capital projects	(674)	(34)	(708)
VAT reserve	(212)	(476)	(688)
Monuments and memorials repairs reserve	(64)	9	(55)
Building control fee reserve	(69)	68	(1)
Haverhill Master Plan reserve	(99)	(26)	(125)
Communications reserve	(16)	16	-
Economic development reserve	(596)	200	(396)
Housing benefit reserve	(624)	(164)	(788)
Interest equalisation reserve	(778)	-	(778)
Public Service Village section 106 agreement	(134)	36	(98)
Concessionary fares	(206)	4	(202)
Cattle market venue	(375)	186	(189)
Outdoor leisure facilities	(202)	190	(12)
Leisure centres reserve	(299)	250	(49)
Rural areas action plan	(86)	19	(67)
LGR legal expenses reserve	(50)	(4)	(54)
Election reserve	(82)	-	(82)
Invest to save reserve	-	(300)	(300)
Procurement reserve	-	(50)	(50)
	(12,617)	101	(12,516)

The purposes of the above earmarked reserves are explained briefly below:

Museum reserves

- are for the purchase of new exhibits, exhibition and display equipment and conservation of existing collections.

Environmental improvements

- covers expenditure and grant payable to third parties for the repair and maintenance of historic buildings and monuments. Some of the reserve also relates to work on schemes for improvement in conservation and industrial areas.

Building repairs

- is money set aside for significant repairs and improvements to public buildings and investment properties, including energy conservation measures.

Self insured reserve

- is money set aside to provide funds to finance higher insurance excesses in the future in order to reduce annual premiums.

Wheeled bins

- is money set aside for the purchase of replacement bins used for trade and domestic refuse collection.

Car park reserve

- is used to fund improvements and exceptional items of expenditure, in the borough's car parks.

Planning services reserve

- is money set-aside to finance the future cost of production of the local plan and other planning related initiatives.

Vehicle and plant

- is for the purchase of replacement vehicles and plant.

Mechanical office equipment

- is money set aside to purchase significant replacement items of office equipment.

Computer equipment

- is money set aside to purchase computer equipment.

Special pension reserve

- is to repay part of the pension fund deficit referred to in note 28 to the accounts and fund expenditure arising from departmental restructuring.

Income from private developers

- is for money set aside from developers' contributions to finance engineers' fees which will be incurred in future financial years.

Revenue costs arising from capital projects

- is used to fund revenue costs associated with the Council's capital programme.

VAT reserve

- has been set up to fund possible unrecoverable VAT and related expenses and charges.

Monuments and memorials repairs reserve

- has been set up to finance the inspection and making safe of gravestones in Bury St Edmunds and Haverhill cemeteries.

Building control fee reserve

- the Council is required to set up a building control fee reserve from surpluses made from fees to enable it to spread profits and losses on building control fees over a three year period.

Haverhill Master Plan reserve

- is to finance feasibility work on schemes provided for in the capital programme.

Communications reserve

- is to finance additional work in informing the public of the implications arising from major schemes included in the capital programme.

Economic development reserve

- contains funds received from the Local Authority Business Growth Incentive Scheme LABGI. (LABGI grant is awarded to councils for successfully encouraging enterprise and employment in their local area).

Housing benefit reserve

- is used to cover year-on-year adjustments made to the level of subsidy grant received from the Department for Works and Pensions.

Interest equalisation reserve

- is to mitigate against possible adverse fluctuations in the interest rates received from the council's investments.

Public Service Village section 106 agreement

- is to finance the Council's share of the expenditure relating to the planning conditions attached to West Suffolk House.

Concessionary fares

- is used to cover potential additional costs arising from the implementation and operation of the national concessionary fares scheme.

Cattle market venue

- is to cover fixtures and fittings that are outside the capital works and to support future years marketing and programming of events.

Outdoor leisure facilities

- is to finance the maintenance of outdoor sports facilities (e.g. West Suffolk Athletics track).

Leisure centres

- is to finance the costs arising from major maintenance/improvement works to the leisure centres.

Rural areas action plan

- in 2006/07 the Council received LAA 1 Performance Reward grant, which was placed in this reserve to finance any revenue costs arising from the implementation of the new Rural Areas Action Plan.

LGR legal expenses reserve

- is to finance costs relating to defending the establishment of a West Suffolk unitary authority.

Election reserve

- is to finance the cost of local elections.

Invest to save reserve

- is used to finance up front costs of delivering the Council's shared services agenda.

Procurement reserve

- is used to replenish any shortfall in budgets arising once planned procurement activities have been completed, should the tender process deliver less saving than expected.

Newmarket Road



ntary
cial
nts

The Collection Fund

The Collection Fund is managed and administered by St Edmundsbury Borough Council as the Billing Authority, on behalf of the council taxpayers and business ratepayers within the borough. All sums raised from council tax and business rates are paid into the Collection Fund, together with relevant government grants. Payments out of the Fund include contributions to the national Non Domestic Rate Pool and precept payments to Suffolk County Council, Suffolk Police Authority, St Edmundsbury Borough Council and Town and Parish Councils.

Income and Expenditure Account

	2009/10		2008/09
	£'000	£'000	£'000
Income			
Council Tax	(49,518)		(48,248)
Council tax benefits - contribution from General Fund	(5,994)		(5,451)
		(55,512)	(53,699)
NNDR collected		(40,921)	(37,592)
Total Income		(96,433)	(91,291)
Expenditure			
Precepts and demands - note 3			
Suffolk County Council	41,573		40,364
Suffolk Police Authority	5,897		5,626
St Edmundsbury Borough Council	7,809		7,753
		55,279	53,743
Non-domestic rates			
Payment to pool	40,498		37,222
Cost of collection allowance	165		159
Interest on NNDR refunds	75		65
		40,738	37,446
Bad and doubtful debts - note 4			
Write Offs			
Council Tax	65		37
NNDR	252		38
		317	75
Change in Provisions for Bad Debts			
Council Tax	42		223
NNDR	(69)		108
		(27)	331
Distribution of surplus brought forward			
Suffolk County Council	(195)		207
Suffolk Police Authority	(27)		27
St Edmundsbury Borough Council	(38)		40
		(260)	274
Total Expenditure		96,047	91,869
Movement on Fund Balance		(386)	578
COLLECTION FUND SUMMARY			
Deficit/(Surplus) at beginning of the year		393	(185)
(Surplus)/Deficit for the year		(386)	578
Deficit at end of the year - see note 6		7	393

Notes to the Collection Fund Income and Expenditure Account

1 Council Tax

Council tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands using 1 April 1991 house values. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Suffolk County Council, Suffolk Police Authority, and the Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted for reliefs, exemptions and discounts, converted by a specified proportion to the number of Band D equivalent properties; 37,788 for 2009/10). This basic amount of council tax for a Band D property (£1,428.21 for 2009/10) is multiplied by the proportion specified for each other band to give the individual amount due per band.

In accordance with the new accounting policy introduced this year the Council's arrangements for the collection of Council Tax on behalf of Suffolk County Council and the Suffolk Police Authority are treated as a statutory agency agreement and the amounts involved are excluded from the Council's core Financial Statements. The Collection Fund continues to show the statutory transactions for the account including those on behalf of Suffolk County Council and the Suffolk Police Authority.

	Total Equivalent Number of Dwellings after Discounts, Exemptions and Reliefs	Proportion of Band D Charges	Band D Equivalents
Band A	4,086	6 / 9	2,724
Band B	15,134	7 / 9	11,771
Band C	8,144	8 / 9	7,239
Band D	6,427	9 / 9	6,427
Band E	3,836	11 / 9	4,689
Band F	1,705	13 / 9	2,463
Band G	1,360	15 / 9	2,266
Band H	105	18 / 9	209
	40,797		37,788

2 National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Government specifies amounts, 48.5p in 2009/10 (46.2p in 2008/09) and 48.1p for small businesses (45.8p in 2008/09) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying the rateable value of the business premises by the relevant amount. The Council is responsible for collecting rates due from the ratepayers in its area and pays the proceeds into an NNDR pool administered by the Government. The Government redistributes the sums received on the basis of a fixed amount per head of population.

The total non-domestic rateable value for the Council's area at 31 March 2010 was £96,771,390 (31 March 2009 - £90,054,790).

3 Precepts/Demands

	2009/10		2008/09	
	£'000	£'000	£'000	£'000
Suffolk County Council		41,573		40,364
Suffolk Police Authority		5,897		5,626
St Edmundsbury Borough Council:				
Borough Council purposes	6,499		6,465	
Haverhill Town Council	601		579	
Bury Town Council	188		188	
Parish Councils	521		521	
		7,809		7,753
		55,279		53,743

4 Provision for Bad and Doubtful Debts

	2009/10		2008/09	
	Council Tax £'000	NNDR £'000	Council Tax £'000	NNDR £'000
Balance at beginning of year	(488)	(279)	(265)	(171)
Contribution from Collection Fund	(107)	(183)	(260)	(146)
Arrears written off	65	252	37	38
Balance at end of year	(530)	(210)	(488)	(279)

5 Previous Years' Surplus or Deficit

Any estimated surplus or deficit on the Collection Fund at the end of the year must be taken into account in setting future years' council taxes by those authorities precepting upon the fund. These are then paid to or deducted from the precepting authorities.

6 Collection Fund Balance

On the basis of anticipated collection levels, the fund balance at the end of the financial year will be distributed as follows:

	2009/10	2008/09
	£'000	£'000
Suffolk Council Council	5	296
Suffolk Police Authority	1	42
St Edmundsbury Borough Council	1	55
Deficit at end of the year	7	393

Payments to Councillors 2009/10

Name	Basic Allowances £ . p	Special Responsibilities £ . p	Travel Claimed £ . p	Subsistence £ . p	TOTAL £ . p
L Ager	5,199.00		201.60		5,400.60
N Aitkens	5,199.00	5,982.00	213.20		11,394.20
L M J Alexander	5,199.00	5,724.00	744.10		11,667.10
J Anderson	5,199.00		72.00		5,271.00
T Beckwith	5,199.00		276.80	3.76	5,479.56
J A Bone	5,199.00		670.24		5,869.24
C E Bradbury	5,199.00	1,372.84			6,571.84
S O Broughton	5,199.00		91.84		5,290.84
T L Buckle	5,199.00		121.60		5,320.60
D E Chappell	5,199.00		6.40		5,205.40
M H Charlesworth	5,199.00		47.94		5,246.94
T G Clements	5,199.00	5,724.00	229.60		11,152.60
R L Clifton-Brown	5,199.00		504.00		5,703.00
R J Cockle	5,199.00		35.20		5,234.20
G Cox	5,199.00		640.00		5,839.00
M Ereira-Guyer	5,199.00	377.32			5,576.32
R D Everitt	5,199.00		38.40		5,237.40
P S Farmer	5,199.00	5,724.00	213.44		11,136.44
J G Farthing	5,199.00	0.74	61.60		5,261.34
P A Gower	5,199.00	2,561.56	908.00		8,668.56
J H M Griffiths	5,199.00	10,398.00	1,294.96	37.90	16,929.86
J R Hale	5,199.00	2,082.00	933.10	32.59	8,246.69
I C Houlder	5,199.00	3,123.00			8,322.00
A H Jones	5,199.00		72.00		5,271.00
H M Levack	5,199.00	4,161.00	189.20		9,549.20
D Lockwood	5,199.00	2,935.84	1,221.60	17.95	9,374.39
T Marks	5,199.00		400.00		5,599.00
J P McManus	5,199.00		230.40		5,429.40
S J Mildmay-White	5,199.00	5,982.00	418.00		11,599.00
D Nettleton	5,199.00	190.16			5,389.16
S R Oliver	5,199.00	1,563.00	96.00		6,858.00
G P Price	5,199.00		321.80	2.40	5,523.20
D A Ray	5,199.00	5,724.00	919.60	2.55	11,845.15
D Redhead	5,199.00		869.60	7.34	6,075.94

Name	Basic Allowances £ . p	Special Responsibilities £ . p	Travel Claimed £ . p	Subsistence £ . p	TOTAL £ . p
cont'd					
K D Richardson	5,199.00		44.24		5,243.24
R R Rout	5,199.00	2,077.39			7,276.39
M Rushbrook	5,199.00		211.20		5,410.20
C J E Spicer	5,199.00	1,044.00	411.20	17.25	6,671.45
P A Stevens	5,199.00	5,724.00	1,093.00	17.91	12,033.91
J Thorndyke	5,199.00	1,563.00	551.20		7,313.20
C L Turner	5,199.00				5,199.00
F J Warby	5,199.00	2.25	149.60	25.60	5,376.45
P A Warby	5,199.00		115.20		5,314.20
A Whittaker	5,199.00		91.36		5,290.36
D A Whittaker	5,199.00		337.12		5,536.12
Sub Totals	233,955.00	74,036.10	15,046.34	165.25	323,202.69
Standards Committee					
J Burgess	107.10		20.80		127.90
Lord Leathers	204.00	1,038.00	51.52		1,293.52
M Marks	204.00		112.00		316.00
G Marler	33.50				33.50
D E Payne	204.00		14.40		218.40
J Rogers	204.00				204.00
Sub Totals	956.60	1,038.00	198.72	0.00	2,193.32
Totals	234,911.60	75,074.10	15,245.06	165.25	325,396.01

Notes:

Travel Claimed - includes car mileage, although not all members actually claim the mileage they incur.

Subsistence - Includes train travel, parking fees, accommodation and food claimed by councillors.

Tourist Information Centre, Bury St Edmunds



83

Glossary

Glossary

Explanation of the terms used in the Statement of Accounts

Accruals basis

Adjustments made to the accounts to ensure that:

- (a) Expenditure includes the cost of:
- goods and services received before the year end but not paid for;
 - salaries and wages incurred for the year;
 - interest due but not paid.
- (b) Income includes:
- income from customers which was due before the end of the year but not received;
 - council and non-domestic rates due but not received;
 - external interest due but not received.

Actuarial gains and losses

Changes in actuarial loss or gain happen because:

- things that the actuary thought would happen by the last valuation did not; or
- the actuary's assumptions have changed.

Actuarial valuation

An actuarial valuation measures a pension fund's ability to meet its long-term liabilities (future costs). The actuary looks at the likely increase in the value of the fund and the probable payments out of the fund. The difference between the two is the amount that the Council has to pay into the fund.

Actuary

A statistician who calculates future risks from an analysis of past events. A pension actuary reviews projections of pension fund assets and liabilities based on an analysis of expected future investment returns, fund contributions and payment liabilities.

Added years' benefits

Amounts paid by the employer for a person who has taken early retirement in order to make up their pension to the equivalent of the pension they would have received had they retired at the normal retirement age.

Amortised Cost

The amortised cost of a financial asset or financial liability is:

- the amount at which the asset or liability is measured at initial recognition (usually 'cost');
- minus any repayments of principal;
- minus any reduction for impairment or uncollectability; and
- plus or minus the cumulative amortisation of the difference between that initial amount and the maturity amount.

Budget

A statement of the Council's spending plans for a financial year, which starts on 1st April and ends on 31st March.

Capital Adjustment Account

The Capital Adjustment Account represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements. It also includes revaluation adjustments that arose before 1 April 2007, the write down of the historical cost of fixed assets as they are consumed by depreciation and/or impairments, or written off on disposal, set against the resources that have been set aside to finance capital expenditure. The account cannot be used to support council tax or finance capital expenditure.

Capital expenditure

Spending on assets that have a long term value, for example, land, buildings, computers and vehicles.

Capital receipts

Income from selling assets that have a long term value

CIPFA / LASAAC

The Chartered Institute of Public Finance and Accountancy (CIPFA) / LASAAC (Local Authority (Scotland) Accounts Advisory Committee) joint committee are responsible for producing the Local Authority Statement of Recommended Practice (known as 'the SORP').

Community assets

These assets include public areas such as parks and open spaces.

Contingent Asset

A possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

Contingent liability

Either:

- (a) a possible obligation arising from past events (which will be confirmed only if particular events - that are not totally within the Council's control - happen at some point in the future); or
- (b) a present obligation arising from past events, where the actual amount of the obligation cannot be measured with enough reliability.

Corporate and democratic core

Spending relating to the need to co-ordinate and account for all the services the Council provides.

Creditors

Individuals or organisations to whom the Council owes money.

Current assets

Short-term assets such as stocks, debtors and bank balances.

Current liabilities

Short-term liabilities which are due to be paid in less than one year, such as bank overdrafts and money owed to suppliers.

Curtailments

The term used to describe an event that reduces future pension payments, for example, when the Council stops providing a service, and the employees of that service no longer qualify for all or some benefits.

De minimis

The term used to describe the lower limit of a transaction, below which no action is required.

Debtors

Individuals or organisations who owe the Council money.

Deferred charges

Deferred charges arise from capital spending which does not result in the creation of a fixed asset. An example of this is a grant paid to another organisation to support its capital spending.

Defined Benefit Pension Scheme

The Council calculates the pension due to each employee using the employee's final salary and the number of years they have paid into the pension scheme multiplied by a set fraction. This is known as a defined benefit pension scheme.

Depreciation

The decrease in the value of an asset due to use, age or its becoming out of date.

Discretionary benefits

Retirement benefits which the employer has no legal, contractual or constructive obligation to pay, but which are awarded under the authority's discretionary powers, such as The Local Government (Discretionary Payments) Regulations 1996.

Earmarked reserves

Money set aside for specific purposes.

Effective Interest Rate

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Fair Value

Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy / sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Financial Instrument

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument (e.g. an equity shareholding) in another entity.

Fixed assets

An item which is intended to be used for several years such as a building or a vehicle.

Government grants

Financial contribution from the government, government agencies and other similar organisations.

Gross spending

The cost of providing services, before allowing for government grants and other income.

Impairment

A reduction in the value of a fixed asset, as shown in the balance sheet, to reflect its true value. Impairment can be caused either by a consumption of economic benefits (eg, physical damage) or by a general fall in prices.

Liquid resources

Short-term assets such as investments that the Council can easily convert into cash.

Long-term investments

Money invested with financial institutions for periods greater than 1 year.

Materiality

Materiality sets the threshold for determining whether an item is relevant. The Accounting Standards Board's Statement of Principles explains materiality as follows: "An item of information is material to the financial statements if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those financial statements, including their assessments of management's stewardship. Whether information is material will depend on the size and nature of the item in question judged in the particular circumstances of the case".

Net book value

The amount at which fixed assets are included in the balance sheet. This means their original cost or current value less the amount allowed for wear and tear.

Net spending

The cost of providing services, after allowing for government grants or other income relating to those services.

Non-distributable costs

Spending on items not directly related to supplying Council services. These items are not charged to service areas.

Non-operational assets

Fixed assets such as buildings and land that are not used in the provision of Council services. These could be investment properties, e.g. shops and factories which are let out, or land and buildings waiting to be sold or redeveloped.

Operational assets

Fixed assets such as buildings and vehicles used by the Council in providing services.

Outturn

Outturn is the actual amount spent at the end of the period, as compared to the amount that was budgeted to be spent.

Pension provision

The employer-based pension provision is a national Defined Benefit scheme (also known as final salary scheme). With this type of scheme the employees' pension rights do not depend on investment returns or the value of underlying investments when the person retires. In effect, the employer risks the investments not performing in line with expectations (but benefits from lower employer contributions when investments do outperform their expected level).

Provision

A provision is money that has been set aside in the accounts for liabilities or losses that are due, but where the amount due or the timing of the payment is not known with any certainty.

Prudence

Accounts are prepared in line with the Prudence Concept. This ensures that profits shown are not too high and assets are recorded in an acceptable way. It requires that the financial statements are neutral, with gains or losses not being understated or overstated.

Related parties

Two or more parties (individuals or organisations) are related parties when, at any time during the financial period:

- (a) one party has direct or indirect control over the other party;
- (b) the parties are controlled by the same source;
- (c) one party has influence over the financial and operational policies of the other party, so that the other party might not always feel free to follow its own separate interests; or
- (d) the parties, in entering a transaction, are influenced by the same source to such an extent that one of the parties to the transaction has given favourable conditions to the other because of this outside influence.

Revaluation Reserve

With effect from 1 April 2007 this reserve records the accumulated valuation gains or losses on the fixed assets held by the authority arising from increases in value, as a result of inflation or other factors (in the case of gains) and decreases in value as a result of economic downturn (in the case of losses). Revaluation surpluses

arising before 1 April 2007 form part of the Capital Adjustment Account balance. The Revaluation reserve cannot be used to finance capital expenditure.

Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statute, but does not result in the creation of fixed assets controlled by the Council (e.g. improvement grants made to individuals).

Revenue support grant

A national grant received from the government to support the day-to-day running costs of the council. It is also known as Formula Grant. This grant is not ring-fenced to any specific area of work.

Settlements

Agreements that end the Council's responsibility to pay pensions, for example, when an employee moves to another pension scheme.

Smoothed market valuation basis

As the value of equity assets can go up or down, the actuary employed by Suffolk County Council, Hymans Robertson, uses a system based on average market conditions in the 12 months leading up to the valuation date. This is known as the smoothed market valuation.

Stocks

Goods bought which have not been used.

Straight-line calculation

A way of working out the repayment of an amount over a period of time.

Substance over form

Substance over form is the accounting concept which recognises that if information is to represent faithfully the transactions and other events that it purports to represent, it is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form.

Surplus

The remaining income after taking away all expenses.

Trading organisations

Services which are mainly funded by the income they receive from charging users of their service.

Trust fund

Money that does not belong to the Council but which it manages for the owners of the money.

Useful life

The length of time that a fixed asset, such as a building, will be useful to the Council.



'No Excuses' anti-litter campaign, joint with Forest Heath District Council



Environmental Statement

Environmental statement

Our commitment to Sustainability

Our mission is to improve the quality of life for everyone who lives and works in the Borough. In achieving this mission, we aim to manage our environmental performance accordingly by:

- 1 reducing natural resource use;
- 2 reducing the Borough's energy demand and tackling the effects of climate change;
- 3 providing effective integrated transport systems and encouraging sustainable transport;
- 4 improving air, land and water quality;
- 5 protecting wildlife and habitats and promoting biodiversity;
- 6 enhancing built and urban environments;
- 7 providing effective waste management and promoting waste reduction; and in so doing
- 8 supporting communities to improve their well being.

These objectives form part of our Sustainability Policy, available on our website.

Since 2003, we have managed, monitored and reported on our environmental performance using an Environmental Management System (EMS) certified to the International Environmental Standard ISO14001.



Bubble-deck floor construction



West Suffolk House Entrance

Our target areas

We have identified seven target areas to deliver our Sustainability Policy:

- Building energy use and associated carbon emissions;
- Water use;
- Transport and associated carbon emissions;
- Waste;
- Biodiversity;
- Procurement activities and their impact on resource use; and
- Pollution prevention.

Our targets are published on our website. In the following sections, we give a snapshot of our performance against these targets during the last year.



Solar hot water collector



West Suffolk House

Our environmental performance in 2009/10

During the year, the Council continued to demonstrate its commitment to environmental improvement, with a particular focus on investing to reduce our carbon emissions.

Highlights include:

- Moving into our new Bury St Edmunds office, West Suffolk House (pictured) in April 2009 and being awarded BREEAM 'Excellent' for the building's environmental credentials
- Implementing our travel plan for staff working at West Suffolk House
- Reducing the number of desktop printers from 140 to nine multi-functional printing devices
- Delivering basic awareness training to staff focussing on climate change and energy
- Installing automatic meter reading of gas use in our main buildings.

We also:

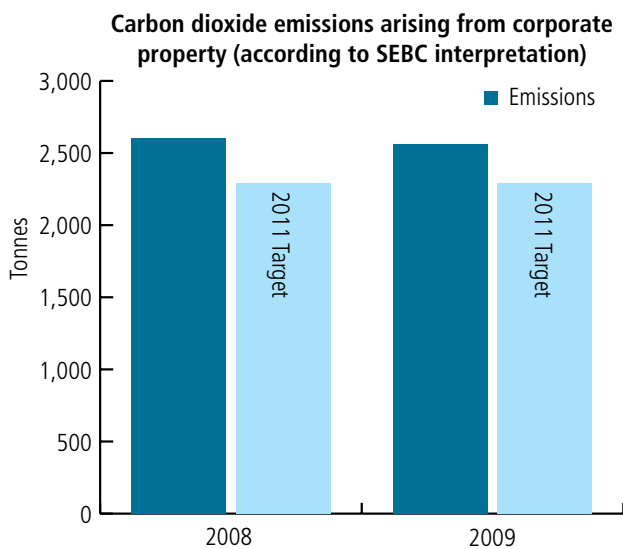
- Started a fundamental review and reorganisation of our household waste collection rounds with our partner, Forest Heath District Council. We are optimistic that when complete during 2010, we should realise at least 10% fuel and mileage reductions;
- Increased office waste recycling rate from 45% to 49%;
- Reduced our peat use to 7,200 litres from 49,603 litres in 2003 when we first started to measure its use;
- Increased the amount of natural green space managed by the Borough Council from 235 to 276 hectares.

More detailed performance against our targets is set out below.

Target 1

Building energy use and associated carbon emissions

Our target	Reduce carbon dioxide emissions from all existing buildings by 12% by April 2011
2008 Baseline	CO ₂ emissions - 2,609 tonnes of carbon dioxide (CO ₂)
2011 Target	2,296 tonnes of carbon dioxide (CO ₂)
2009 Performance	CO ₂ emissions from buildings have decreased by 1.6% since 2008 to 2,565 tonnes



Our footprint currently includes Bury St Edmunds Leisure Centre operated by Abbeycroft Leisure Trust, a major use of gas and electricity.

Whilst there has been a reduction in building energy use, the amount of saving has been restricted due to several factors:

- The coldest winter in thirty one years, officially recognised as such by the Met Office
- Difficulties commissioning heat pump heating systems at new property at West Suffolk House and Homefield Road depot, Haverhill
- Problems with the Combined Heat and Power Plant at Bury St Edmunds Leisure Centre which led to electricity being used for heating which is more costly and carbon-intensive than gas. The Trust also re-started using energy-intensive motors in the plant room after a period of temporary closure the previous year
- Increased use of property including Chalkstone Community Centre.

We have, however, shown our commitment to cutting our building carbon emissions through a major new investment. Having opened in April 2009, West Suffolk House in Bury St Edmunds is the first phase of an innovative partnership, initially between St Edmundsbury Borough Council and Suffolk County Council (Suffolk CC). The office is built on a brownfield site which we own and was previously used for office accommodation and car parking.

Our aim was to build to the BREEAM 'Excellent' standard of environmental performance incorporating low energy/carbon heating and power technologies. The building has been designed to a very high energy efficiency standard to achieve a 47% Emissions Reduction Commitment benchmarked against conventional modern office buildings.

The building incorporates a range of innovations:

- Ground source heat pump linked to

embedded pipe work in a 'bubbledeck' concrete floor slab, the first of its kind to be constructed in the UK, for both heating or cooling the building;

- Natural ventilation as far as practicable throughout;
- A Building Management System;
- Solar performance double glazing;
- Solar thermal collectors to generate approximately 25% of the hot water demand;
- Enhanced efficiency lighting systems above the Building Regulations; and
- Rainwater harvesting to provide some of the water for toilet flushing.

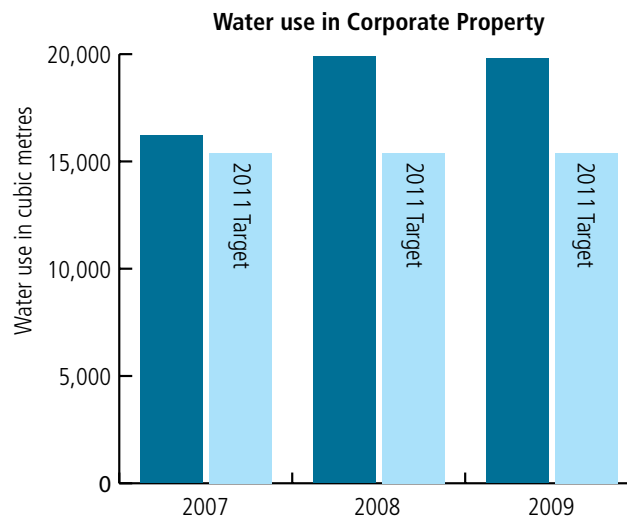
With its high environmental credentials, the building has been designed to deliver revenue savings that balance the business case in five years. West Suffolk House is in its first year of operation and during this time we are still developing our understanding of actual building performance and working to get all elements of the building infrastructure fully functioning.

Like other local authorities, we are required to report on our building and transport CO₂ emissions to the Department for Climate Change and Energy (DECC) using the format set out in national framework indicator, NI185. Our reduction target was based on the assumption which was generally accepted at the time that we would compare our annual performance against a set of property covered by our 2008 baseline. Interim guidelines published by DECC in April 2010 subsequently presents a different interpretation which requires us to report to Government our building CO₂ footprint to include any site which becomes operational after the 2008 baseline year without recalculating the baseline. This has significant implications for the Council in terms of achieving our target. We are, therefore, reviewing our response both to the DECC interim guidelines.

Target 2

Water use in corporate buildings

Our target	Reduce water use by 5% in buildings by April 2011
2007 Baseline	16,220 cubic metres
2011 Target	15,409 cubic metres
2009 Performance	Water use has reduced marginally by 0.2% since last year to 19,880 cubic metres



The trend in water use was not what was expected based on our assumptions that completing the construction phase of West Suffolk House and better monitoring of supplies would lead to reductions. We also experienced a major leak of an underground supply at Nowton Park Nurseries in early 2009.

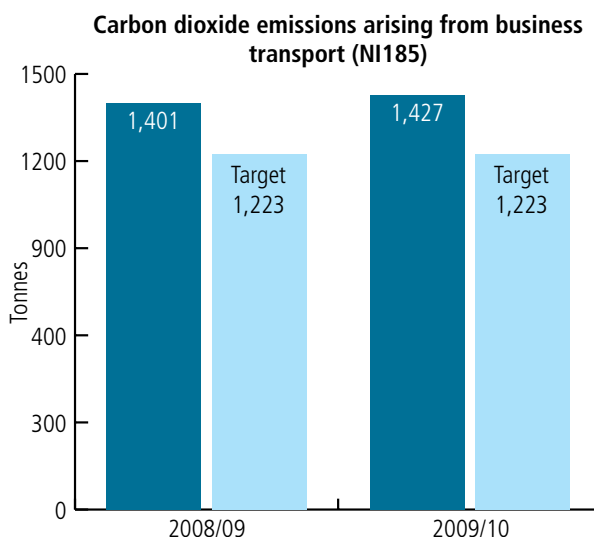
Anglian Water is currently undertaking assessments on our behalf of all our water supplies to advise us where we can save money and water use.

Target 3

Transport related carbon emissions

94

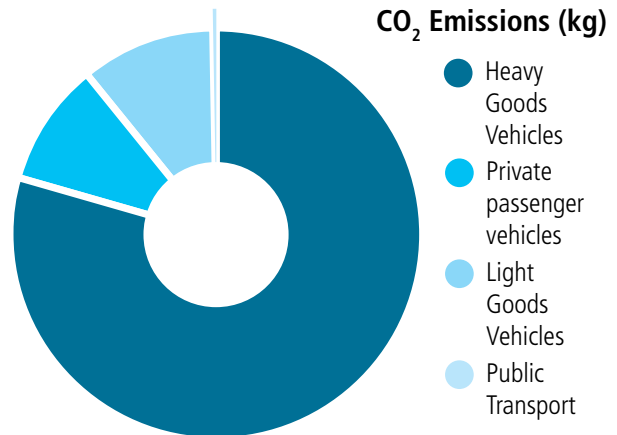
Our target	Reduce CO ₂ emissions arising from the passenger and commercial fleet by 12% by April 2011
2008 Baseline	1,401 tonnes of CO ₂
2011 Target	1,233 tonnes of CO ₂
2009 Performance	CO ₂ emissions arising from our business transport increased by 1.9% since last year to 1,427 tonnes



The Council operates a business fleet comprising:

- The passenger fleet – pool cars and the grey fleet owned by the Council's employees used for business purposes.
- Light and medium commercial vehicles.
- Heavy goods vehicles – including refuse freighters, road sweepers and skip and tipper lorries.

The increase in transport-related CO₂ emissions is primarily the result of increased heavy goods vehicle mileage during the year.



We have participated in the Energy Saving Trust's Motorvate and Green Fleet Review schemes since 2005 in support of action to meet our target.

As part of our ongoing Environmental Programme to reduce the environmental impact of our fleet, we have instigated two major initiatives over the last 12-15 months which concentrate on the biggest source of transport related CO₂ emissions, the HGV fleet:

- Waste Fleet routing re-organisation and optimisation – this work is being undertaken with our partner, Forest Heath District Council, as we progress the integration of our waste collection services. We anticipate making significant mileage and fuel savings when the two Councils start to operate their waste collection services over one, rather than two, separate administrative areas.
- Driver behaviour software – the primary purpose of the project is to reduce the number of excessive driving manoeuvres such as hard acceleration, braking and cornering.

In addition to our business mileage, through our travel plan we have actively encouraged staff to change their commute, through the following features:

- Staff have access to free travel on four bus routes in Bury St Edmunds;

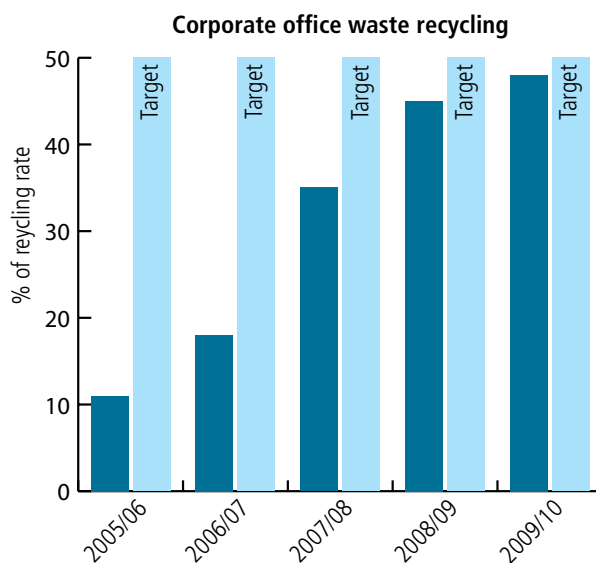
- Staff using cars with CO₂ emissions of 120g/km or less have free parking at the office (currently a 60p daily charge is made for staff to park);
- The car park has 24 reserved spaces for vehicles with 2 or more people sharing;
- Salary sacrifice schemes are provided such as Cycle2Work;
- Promotion of a Suffolk based car share website, in which all local authorities participate, suffolkcarshare.liftshare.com: and
- A link on the Council's intranet to encourage car sharing for external meetings.

The schemes are paid for through staff being charged for car parking.

Target 4

Corporate waste recycling

Our target	Increase office waste recycling from all corporate property to 50%
2005 Baseline	11% (previously 13%, recalculated during 2009/10)
2010 Target	50%
2009 Performance	48.79% recycling rate achieved. Target missed by 1.21%



We are confident that we have achieved close to what is currently feasible to recycle although we will continue to monitor and promote the office waste recycling scheme throughout our buildings.

In West Suffolk House six waste streams are now collected and recycled:

- Confidential waste;
- Paper and Card Only;
- Co-mingled Dry Recyclables – plastic, metal;
- Compostable Waste;
- Residual Waste; and
- Batteries.

In addition to West Suffolk House, we have installed facilities enabling employees to recycle or compost their waste in other corporate buildings across the Borough.

We now plan to extend this Corporate Environmental Target to cover all waste streams generated by Council activities.



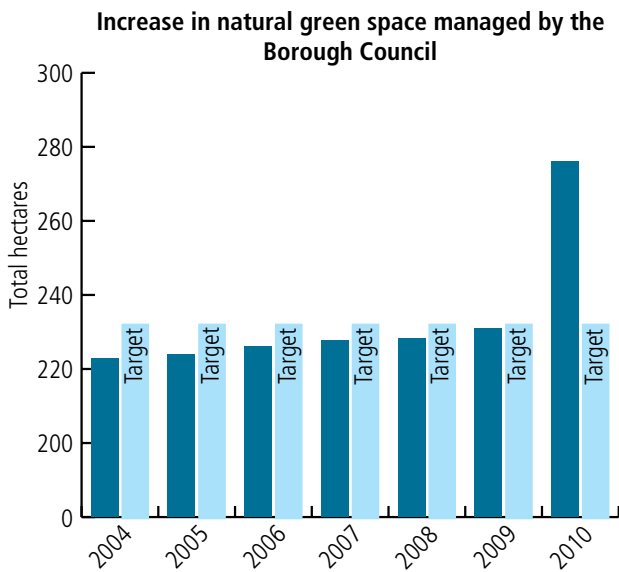
Target 5

Biodiversity - Amount of accessible natural green space

Our target	Increase the amount of accessible natural green space managed by the Council arising from redevelopment in the Borough by 5%
2004 Baseline	224.8 hectares
2010 Target	236.04 hectares
2009 Performance	Target exceeded by 40 hectares



Tayfen Meadows, Bury St Edmunds



This target is designed to reflect enhancement in biodiversity in public open space over and above that achieved using conventional grounds maintenance practices. Sites become available through planning obligations with developers.

Examples of sites where the Council has taken on active management of sites include:

- Tayfen Meadows and Spring Lane Reserve, Bury St Edmunds
- Hanchett End, Haverhill
- Larksgate Meadow, Fornham and
- The Chase, Stanton.

This target has now been completed.

We are in the process of developing a new Biodiversity target which reflects our activities and latest thinking about habitat management.

Target 6

Pollution prevention

Our target	No incidents leading to formal action by regulatory bodies
Baseline	This target is required to be met each year
2009 Performance	Target achieved. No compliance issues were reported during the year

The Council is required to meet key environmental legislation. This may be achieved in a variety of ways including meeting permits and licences; for example, we currently operate two waste transfer stations, in Bury St Edmunds and Haverhill, which operate with the benefit of environmental permits and regular compliance inspections by the Environment Agency.

The Council's Environmental Management System continues to include regular audits of service areas with higher potential environmental risk such as fuel storage at depots. Also, investment in pollution prevention measures and training continues to ensure that the Council meets future obligations.

Target 7

Procurement

Our target	Deliver staff training and establish guidelines on sustainable procurement by April 2010
2009 Performance	Target achieved

During the year, we continued to provide training to staff on how to take account of the environmental and social alongside the economic aspect when buying goods and services. In particular, we launched a practice note on procuring sustainably aimed at key staff involved in significant buying decisions. We will monitor the effectiveness of this work during 2010.

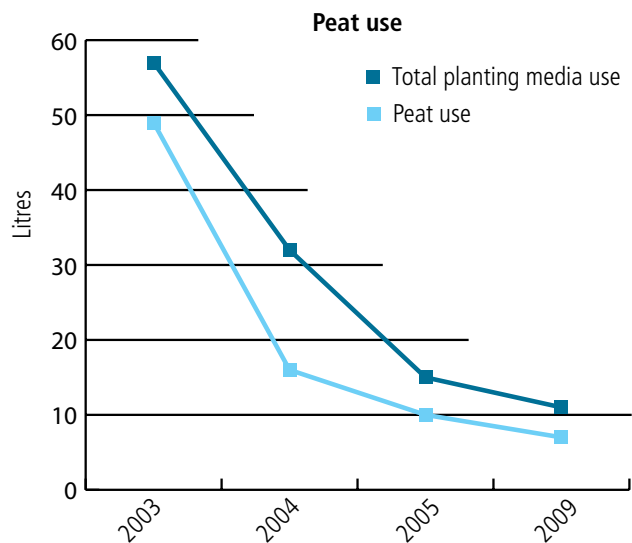
The Council is leading a review of current suitable procurement practice in local authorities in Suffolk with the intention of identifying opportunities for improvement in environmental performance as well as efficiencies. We also plan to develop a supply

support programme during 2010/11 to help improve resource efficiency in our supply chain. This work will form part of a new Corporate Environmental Target.

Other areas of environmental performance

Peat Use

Between 2003 and 2006, we focussed on reducing the percentage of peat used in planting schemes. Reducing the percentage of peat in our planting schemes was a Corporate Environmental Target until 2006 after which a new target for Biodiversity was adopted. A decision was taken in 2006 to replace this target since we had experienced a significant reduction in total peat use as a result of changing practice.



During 2009, we checked on our performance to confirm that we are minimising our use of peat as far as practical.

Since 2005, our peat use has declined from around 10,500 litres to just over 7,200 litres while our percentage of peat free planting media used has increased from 32 to 37%. We will continue to review our use of peat with the aim of continuing these trends.

Green Flag parks

The Council participates in the national Green Flag scheme for public parks as a way of driving forward continual improvement in the management of our key public open spaces and to gain recognition for their high standard and environmental quality.

To date, we have two parks, Nowton near Bury St Edmunds and East Town in Haverhill, which hold Green Flag status.

Information Technology and Communications

The Council has fundamentally changed its ICT infrastructure in the last 12 months as a consequence of the West Suffolk House development. It has already resulted in a significant reduction in hardware, especially printers, maintained by the Council's ICT Service. Since the move into West Suffolk House in April 2009, the Council has reduced the number of printer/copiers in use from over 140 desktop devices to nine multi-functional printer/copiers. The Council has reduced the number of desktop workstations by approximately 150 from previous complement of 450. This includes PC's and telephones.

The new server room at West Suffolk House was designed on the 'cool isle-warm isle' principle to optimise cooling and minimise mechanical ventilation. We are also part way through a server virtualisation programme which has already achieved a reduction in server numbers from 52 to 36 in our data centre. The final target, by the end of 2010, will be a reduction down to just 15 servers. Modern servers are able to operate at higher ambient temperatures; we are therefore able to increase the server room temperature from 19 to 23°C.

It is anticipated that all these actions will reduce our energy use.

CO₂ reduction in the community (National Indicator NI186)

The Council is committed to achieving a 12% reduction in community-related CO₂ emissions by 2011 compared to a 2008 baseline. We are working with all Suffolk local authorities and other public and private bodies as well as local communities to help reduce energy demand, increase energy efficiency and non-fossil fuel energy generation.

Adapting to a changing climate (National Indicator NI188)

The Council has been carrying out a baseline risk assessment following Defra-supported guidance as part of the Council's commitment with other local authorities across Suffolk. We have now included climate adaptation within our Corporate Risk Register and Business Continuity planning as well as longer term consideration within key services including Waste Management and Environmental Health.



West Suffolk House

Other National Indicators

The Council's performance is also measured according to the Government's national framework, a summary of which is set out below.

NI191	Residual household waste per household	481.30kg
NI192	Household waste recycled and composted	50.1%
NI193	Municipal waste landfilled	53.24%
NI194	Improvement in local air quality associated with the Council's building and transport emissions	PM ₁₀ : 347kg NOx: 12,785kg
NI195	Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)	Grffiti: 3% Litter: 4% Detritus: 14% Fly posting: 0%
NI196	Improved street scene and environmental cleanliness - fly tipping	Very effective

Independent scrutiny of our performance

Managing our environmental performance using an independently certified Environmental Management System (EMS) provides us with independent external scrutiny and responds to central government and rate payers' calls for better environmental performance through efficient management of resources. The EMS also provides a way to incorporate the principles of Sustainability into Council policies and services.

Since 2003, we have successfully maintained our certification to ISO14001:2004 with independent inspections by Bureau Veritas. In their last visit report in August 2009, Bureau Veritas commented that the Council,

"continues to demonstrate its commitment and support towards the EMS and ISO14001:2004 within all areas reviewed as part of the surveillance visit" and "the EMS is well established within the organisation."

As part of its annual value for money assessment, the Audit Commission have identified notable practice and excellence in the Council's approach to managing its natural responses.

Challenges faced during the year

We recognise that performance improvement is rarely smooth. Despite our efforts, we faced certain challenges during the year; in particular, we experienced commissioning difficulties with innovative heat pump systems in West Suffolk House and Homefield Road depot. We have also seen our water use remain static rather than reduce. We have now addressed these problems and look forward to seeing both our fossil fuel and water use reduce.

100



Abbey Gardens in Bury St Edmunds



101

Annual Governance Statement 2009/10



Annual Governance Statement 2009/10

By the Leader of the Council and Chief Executive Officer

1 Scope of responsibility

- 1.1 St Edmundsbury Borough Council (the council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*.
- 1.4 A copy of the Code is available electronically (via the website <http://www.stedmundsbury.gov.uk/sebc/live/pdf/policy/Code%20CG.pdf>) or can be obtained from the Policy Unit. This Statement explains how the council has complied with the Code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2 The purpose of the governance framework

- 2.1 Governance is about how the council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. (Definition taken from the CIPFA/SOLACE document referred to above in paragraph 1.3)
- 2.2 The governance framework comprises the systems and processes, and culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.3 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.4 The governance framework has been in place at the council for the year ended 31 March 2010 and up to the date of approval of the annual Statement of Accounts.

3 The governance framework

- 3.1 The core governance principles of the council are as follows:
- focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area;
 - members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - developing the capacity and capability of members and officers to be effective; and
 - engaging with local people and other stakeholders to ensure robust public accountability.
- 3.3 The key elements of the systems and processes that comprise the council's governance arrangements are discussed under these principles in **Annex A**.
- 3.4 In June 2009, CIPFA launched its *Statement on the Role of the Chief Financial Officer in Public Service Organisations*. The Statement supports CIPFA's work to strengthen governance and financial management across the public services. The Statement which consists of five fundamental principles is supported by good practice benchmark checklists in relation to:
- governance requirements,
 - core responsibilities of the Chief Financial Officer, and
 - personal skills and professional standards.

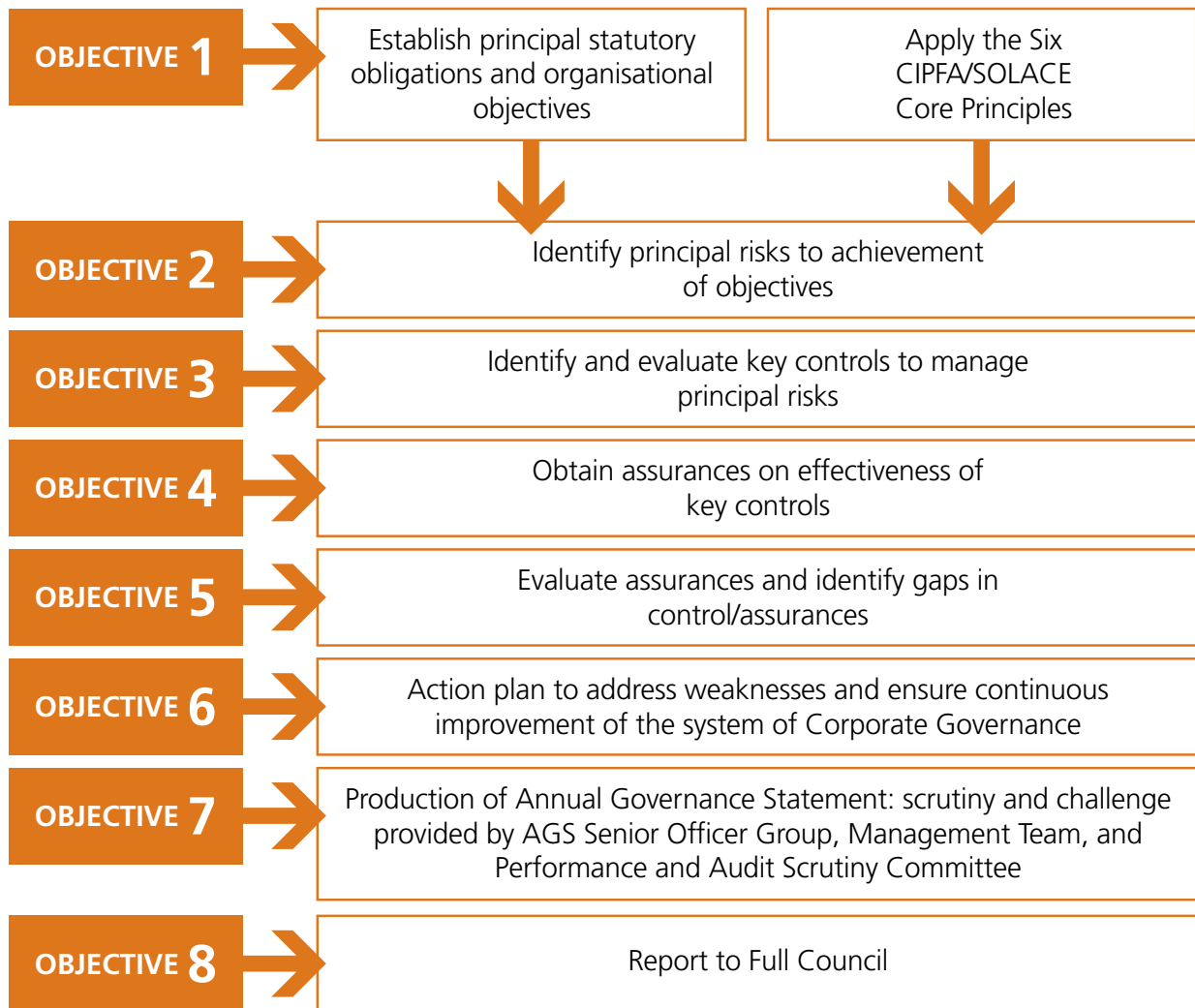
- 3.5 In the Statement CIPFA recommends that organisations should use the Statement as a framework to benchmark their existing arrangements, and that they should report publicly on compliance to demonstrate commitment to good practice in both governance and financial management.
- 3.6 The Chief Finance Officer has undertaken a self assessment to determine the degree with which the council complies with the checklists. Overall, the self assessment has shown that the council is already substantially complying with requirements. The main area for development where we can further strengthen our arrangements is that more work should be undertaken in collaborating with partners and stakeholders when planning the longer term financial strategy of the council.
- 3.7 In addition, the governance requirements to support the principles in the Chief Financial Officer statement have been incorporated into the authority's local Code of Corporate Governance.

4 Review of effectiveness

- 4.1 St Edmundsbury Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:
- the work of the senior managers within the council who have responsibility for the development and maintenance of the governance environment;
 - the Internal Audit Manager's annual report; and also
 - comments made by the external auditors and other review agencies and inspectorates.

4.2 This review of effectiveness is undertaken in line with CIPFA guidance *The Annual Governance Statement, Rough Guide for Practitioners* and follows the process shown below.

Review of Annual Governance Statement and Assurance Gathering Process:



- 4.3 Evidence was collected against each objective of the above process and was then reviewed by the AGS Senior Officer Group, and an action plan agreed.
- 4.4 Maintaining and reviewing the effectiveness of the governance framework is achieved through / informed by the following:
- The council revised its **Code of Corporate Governance** during 2008 to ensure that it reflects good practice. Further changes have been proposed in 2010 in accordance with the CIPFA / SOLACE framework document *Application Note to Delivering Good Governance in Local Government; a Framework* issued in March 2010. In addition to reviewing the Code, during the year the council has continued to review and put into place improved policies, management processes and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is both adequate and effective in practice and that sound systems of internal control are operating.
 - The council's **corporate governance arrangements** include clearly defined roles and responsibilities within the Constitution for the Chief Executive Officer (as Head of Paid Service), the Head of Legal and Democratic Services (as Monitoring Officer) and the Chief Finance Officer (as the council's Section 151 Officer).
 - The **Monitoring Officer** is responsible for the administration of the council's political management structures, including ensuring that the council has acted lawfully and that agreed standards have been met.
 - The **Chief Finance Officer** is Section 151 Officer for the purposes of satisfying the Local Government Act 1972 and is responsible for ensuring that appropriate advice is given to the council on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
 - Issues of strategic and corporate importance are referred to the **Cabinet**. Executive functions are performed by the Cabinet. These functions are grouped together in the form of Cabinet portfolios, with responsibility for them allocated to individual Members of the Cabinet, on an annual basis.
 - **Management Team** has overall responsibility for the development and maintenance of the governance environment and reviews the draft Annual Governance Statement prior to submission to Performance and Audit Scrutiny Committee.
 - A **Standards Committee** is in place, its roles and functions include promoting and maintaining high standards of conduct by councillors, assisting councillors to observe the Members' Code of Conduct, monitoring the operation of the Members' Code of Conduct and overseeing matters referred to the Monitoring Officer by an Ethical Standards Officer of the National Standards Board. A high level of compliance with the Members' Code of Conduct is indicated by the very small number of complaints of breach made to the Standards Committee; none of which were upheld.

- The Council's Overview and Scrutiny Committee structure changed in April 2007. The primary purpose of the **Overview and Scrutiny Committee** is to improve the delivery of policies and services by providing a check on the way the council works i.e. by acting as a 'critical friend' and addressing the 'corporate health' of the authority as a whole. The **Performance and Audit Scrutiny Committee** is independent from the executive function. The Performance and Audit Scrutiny Committee monitors and scrutinises the performance of the council's services through receiving regular reports in relation to performance indicators, financial performance, risk management and internal control. This committee also acts as the council's audit committee.
- The **Strategic Risk Management Group** review corporate risks ensuring that actions are being taken to manage the council's risks effectively. The group meets quarterly to review the effectiveness of the council's risk management framework. The Performance and Audit Scrutiny Committee has specific responsibility for scrutinising risk management and receives quarterly risk management update reports at its meetings and approves key documents including the Risk Management Strategy and the Corporate Risk Register.
- As part of the council restructure in autumn 2009, the Cabinet agreed to establish a **Performance Management Group**. Its primary objectives, to:
 - Increase the council's overall effectiveness;
 - Ensure the necessary links with the Comprehensive Area Assessment / Local Area Agreements programmes are in place;
 - 'Drive' improvement; and
 - Ensure that there are confirmed outcomes for the residents and businesses in St Edmundsbury Borough and the West of Suffolk more generally.
- The council monitors the performance of its services once a quarter by Management Team and the Performance and Audit Scrutiny Committee, using a set of key performance indicators. Any indicators not meeting their targets are subject to monthly monitoring.
- The Accounts and Audit (Amendment) (England) Regulations 2006 require that 'the body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices'. **Internal Audit** is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. The results of the annual review of the effectiveness of the system of internal audit were reported to Performance and Audit Scrutiny Committee in June 2010, and confirmed that the system of internal audit is effective, with plans to address areas for development and ensure continuous improvement is in place.

In addition, during 2009/10 the Audit Commission undertook their three year comprehensive review of Internal Audit's work against CIPFA's internal audit standards and found that Internal Audit is fully compliant with all eleven areas of the CIPFA Code. This gives the Performance and Audit Scrutiny Committee assurance that it can fully rely on the work of the Internal Audit team.

- Based upon the audit work undertaken during the financial year 2009/10 the **Internal Audit Manager** can provide reasonable assurance that the system of internal control of the council, within the areas reviewed, as well as the risk management systems, were operating adequately and effectively. Internal Audit work has, however, identified a number of areas where existing arrangements could usefully be improved.
- The council is subject to an annual programme of **independent external audits and statutory inspections**. The external auditor reports on the council's governance, performance and accounting arrangements. The council received a very positive Annual Audit & Inspection Letter 2008/09, published in December 2009 from the Audit Commission.
Key messages include:
 - The council has made improvements in each of its priorities this year;
 - The Organisational Assessment judgement is that it performs well;
 - The council achieved its deadline to prepare and approve its financial accounts by 30 June 2009. The accounts were of a good standard, complete and were supported by high quality working papers
 - The people of St Edmundsbury now

have improved access to council services at an impressive new building shared with the County Council. The building uses sustainable energy and costs are shared by the councils. The move to the new building was managed very effectively through good working with the staff involved. The council has good processes to manage large projects like this to make sure nothing goes wrong, and generally they keep to time, and within budget;

- The council works well with partners to improve overall effectiveness of joint working. Key partnerships such as with housing associations, leisure partners, and neighbouring councils have good monitoring arrangements.

- The council also received an unqualified audit opinion for the 2008/09 Statement of Accounts from the external auditor as well as confirmation that value for money arrangements are adequate.
 - The Audit Commission also reviewed the Data Quality arrangements and concluded that the authority is performing well – consistently above minimum requirements.
 - The council's Constitution includes both **Financial and Contracts Procedure Rules**. All proposals of a significant nature are assessed for legality, risk and financial impact prior to a decision being made.
- 4.5 We (the Leader of the Council and the Chief Executive Officer) have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Performance and Audit Scrutiny Committee and a plan to address

weaknesses and ensure continuous improvement of the system is in place.

Signed:

5 Significant governance issues

Leader of the Council

Date: 29 June 2010

5.1 Significant governance issues are considered to be those issues which could have a significant impact on achieving the organisation's key corporate objectives.

Signed:

5.2 As a result of the work undertaken to review arrangements within the governance framework for 2009/10, no significant issues have been identified.

Chief Executive Officer

Date: 29 June 2010

5.3 Previously, the council had identified partnership governance arrangements as a significant governance issue. However, a number of actions have taken place to address this matter, namely:

- The council has adopted a Partnership Strategy, approved on 15 December 2009;
- Implementation of the Partnership Strategy has begun, with significant partners identified; and
- The Partnership Strategy is also being used to assess the significance of partnerships, together with providing tools to enable the forming of new partnerships and the review of existing ones.

Conclusion

5.4 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Annex A
1a

	Core Principle	Supporting Principles	St Edmundsbury Evidence
1	<p>Focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area.</p>	<p>Exercising strategic leadership by developing and clearly communicating the council's purpose, vision and its intended outcome for citizens and service users.</p> <p>Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.</p> <p>Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money.</p>	<p>St Edmundsbury, along with its partners, has set out long-term strategic objectives in Vision 2025.</p> <p>The council sets out its objectives and priorities within the Corporate Plan. The Corporate Plan also reflects our contribution to the Western Suffolk Community Strategy and the Suffolk Local Area Agreement; documents which also set out a vision for the future, together with a programme of priorities that some local organisations are working towards.</p> <p>The Annual Report provides a review of the council's achievements over the past 12 months and advises of the Cabinet's commitments for the coming year.</p> <p>An annual audited Statement of Accounts is produced and published showing the council's financial position.</p> <p>St Edmundsbury Borough Council was re-assessed as 'Excellent' in the Comprehensive Performance Assessment carried out in 2007.</p> <p>The Organisational Assessment 2008/09 concluded an overall score at level three. In summary, the council performs well in how it manages finances, governs its business and performs excellently in managing resources with the council receiving a level four in workforce planning. This sets St Edmundsbury Borough Council amongst the top performing districts in the country.</p> <p>The Corporate Plan explains links to resources and service plans. The Medium Term Financial Strategy is a key driver of the plan. In order to ensure that we are delivering our priorities, we are continually developing our corporate planning and performance framework. The key objectives of the framework are to ensure:</p> <ul style="list-style-type: none"> • a culture of achievement; • that priorities influence, and flow from, the West Suffolk Community Strategy and the Suffolk Local Area Agreement (LAA); • performance against our targets is monitored effectively; • short, medium and long term priorities are agreed and regularly reviewed; • objectives and activities in service and team plans are consistent with corporate priorities; • performance against key performance indicators (KPIs) is monitored and reported regularly, and action is taken to correct any shortfall in performance; and • resources needed to achieve targets are identified and allocated.

1b

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>The council's overall financial arrangements are governed by the Medium Term Financial Strategy which sets out the financial framework for delivery of the council's priorities. This is supported by robust budget setting and monitoring arrangements and the Financial Procedure Rules which form part of the Constitution.</p> <p>Treasury management reporting to Performance and Audit Scrutiny Committee occurs on a timely basis, as follows:</p> <ul style="list-style-type: none"> • the Strategy is reported before the start of the financial year; and • the Annual Report on operational activity compared to the Strategy is reported after the end of the financial year. <p>Reference to the revised CIPFA Code of Practice on Treasury Management in Local Authorities and associated treasury management clauses, have been included in the council's Constitution following adoption by Full Council in February 2010. In addition, a Treasury Management Sub-Committee of the Performance and Audit Scrutiny Committee is to be established, to fulfil the enhanced scrutiny requirements of the revised Code.</p> <p>It should be noted that the prudent approach and careful management of the council's investment activity is demonstrated by the fact that no losses were sustained in the 2008/09 banking collapses and that no monies were held in the Icelandic banks.</p> <p>The annual Internal Audit review of the Treasury Management function for the financial year 2009/10 provided assurance that the council operates in accordance with CIPFA Code of Practice for Treasury Management.</p> <p>All spending services / sections are required to monitor budgets on a monthly basis, in consultation with the Finance Section, with each section / department allocated a named accountant. Spending departments / sections are responsible for their income and expenditure and are therefore accountable to members for their budgets.</p> <p>Members are regularly briefed on key messages from the financial process – e.g. Policy Development, Performance and Audit Scrutiny, and Cabinet receive regular reports on review of capital programme, treasury management, budget monitoring as well as other relevant reports including the Revenues and Benefits Write-Off Policy. Cabinet reports cover financial implications.</p> <p>Externally, the council's financial plans are communicated through the annual Budget Book, Council Tax Leaflet, the Cabinet Annual Report,</p>

1c

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>and also the Summary of Accounts document published on the council's website which matches what we have spent to our priorities. The Medium Term Financial Strategy is also available on the website via the relevant committee report.</p> <p>Budget information is also distributed to every borough household through the quarterly corporate magazine, <i>Community Spirit</i>.</p>



2a

Core Principle	Supporting Principles	St Edmundsbury Evidence
2	<p>Members and officers working together to achieve a common purpose with clearly defined functions and roles.</p>	<p>Ensuring effective leadership throughout the council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</p> <p>Ensuring that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.</p>

The council's Constitution sets out the roles of councillors, the Leader, the Mayor and Cabinet, responsibility for functions, committee/scrutiny panel terms of reference and rules of procedure. The Constitution sets out the roles of chief officers and statutory officers and the responsibility for functions. This includes:

- The Chief Executive is the Head of Paid Service in accordance with the Local Government and Housing Act 1989;
- The Head of Legal and Democratic Services is the Monitoring Officer and the Proper Officer in accordance with the Local Government Acts (except where signified under other officer delegations) and the Registration Service Act 1953 and is responsible for the administration of the council's political management structures; and
- The Chief Finance Officer is Section 151 Officer of the Local Government Act 1972 and is responsible for making sure that appropriate advice is given to the council on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.

Corporate Management Team meets on a weekly basis and consists of the chief officers, namely, Chief Executive, Corporate Directors (Community and Economy and Environment) and the Chief Finance Officer. They provide the strategic direction of the council in delivering the requirements of the members.

The role of the Cabinet is to develop policies and services within the framework of the Corporate Plan, acting on information provided by officers. The Cabinet consists of the Leader of the council and seven Portfolio Holders. Meetings are open to the public except where personal or confidential matters are being discussed and all decisions made within these bodies are ratified by Full Council.

The council has several committees which carry out regulatory or scrutiny functions.

Policy and decision making are facilitated by a clear framework of delegation set out in the council's Constitution, with clear details of delegated authorities to officers. The council has also recently drafted a Scheme of Financial Delegation. An appropriate level of delegation to senior managers enables speedy decision making.

The Chief Finance Officer occupies a critical position in any organisation, holding the financial reins of the business and ensuring that resources are used wisely to secure positive results. While the global financial crisis and economic downturn have made these tasks even more challenging,

2b

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>they have also underlined the fundamental importance of the role. In St Edmundsbury the Chief Finance Officer reports directly to the Chief Executive Officer.</p> <p>The current responsibilities of the Chief Finance Officer role include Financial Services, ICT, Revenues and Benefits, Internal Audit, and Procurement. A summary list of her statutory responsibilities appears in the Constitution.</p> <p>A Standards Committee is in place, its roles and functions include promoting and maintaining high standards of conduct by councillors, assisting councillors to observe the Members’ Code of Conduct, monitoring the operation of the Members’ Code of Conduct and overseeing matters referred to the Monitoring Officer by an Ethical Standards Officer of the National Standards Board.</p> <p>The Constitution includes guidance on communicating with the media, Member / Officer Protocols and the Members’ Allowance Scheme.</p> <p>An Officer Appointments Committee exists to deal with the appointment, discipline and termination of employment of Chief Officers (other than the Head of Paid Service). The Committee meets only on an ad hoc basis as and when required.</p> <p>The council’s Corporate Planning process follows the ‘golden thread’ approach which links its priorities from the Local Area Agreement down to individual Personal Development Reviews. The council has a corporate mission of ‘achieving excellence’, which is underpinned by four corporate priorities, which have been cascaded throughout the authority and to partner organisations.</p> <p>The Corporate Plan which forms part of the Annual Report provides the focus for our service planning and budget setting. It identifies what is most important for the council as a whole. The Annual Report shows how we have built upon those foundations over the past year through a series of Cabinet commitments – our promises to deliver what our residents and businesses tell us is most important to them.</p> <p>The council’s overall financial arrangements are governed by the Medium Term Financial Strategy which sets out the financial framework for delivery of the Council’s priorities. The Medium Term Financial Strategy supports longer term financial forecasting and decision making and takes into account all significant financial inflows and outflows. The Strategy is reviewed by the Corporate Management Team on a monthly basis.</p>

Ensuring relationships between the council, its partners and the public are clear so that each knows what to expect of the other.

2c

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>The Corporate Communications Strategy has as its theme, 'communicating better'. This is being achieved through implementation of the Strategy's action plan, which focuses on targeting communications at specific audiences. Better targeting helps to engage people in consultation processes by making information more relevant to them and publicising consultation events and activities.</p> <p>The Community Engagement Strategy details how we will engage with all our communities in St Edmundsbury to improve local services and help local people to influence decisions by making sure they have the information necessary to make informed decisions. The Strategy is intended as a useful resource for both councillors and officers when carrying out community engagement activity.</p> <p>St Edmundsbury recognises the importance of partnership working and the benefits it can bring in the shaping, commissioning and delivery of services for local people and achieving more efficient use of resources. A Partnership Strategy has been developed, to help ensure that the council's partnerships are formed, monitored and reviewed with the appropriate level of governance arrangements in place to achieve better outcomes.</p> <p>The council's website provides information to the public on 'Your Councillors' and a 'Guide to Services' which is available in Polish, Portuguese and Russian, as well as English.</p>

3a

Core Principle	Supporting Principles	St Edmundsbury Evidence
<p>3 Promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.</p>	<p>Ensuring members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</p>	<p>The Members' Code of Conduct, the Member / Officer Protocols, the Responsibility for Functions, (all within the Constitution), and the staff Code of Conduct (including registers of interests and of gifts and hospitality), are in place to:</p> <ul style="list-style-type: none"> • define the standards of personal behaviour individual councillors, officers, and agents of the council must follow; and • ensure that elected councillors and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. <p>Each member receives copies of the meeting agenda in advance. As one of the agenda items for each meeting, members are required to declare any interests at the outset of the meeting.</p> <p>Members are also required to submit declarations of conflicting interest forms which are held for public scrutiny.</p> <p>Conduct of members is monitored by the Standards Committee, who deals with matters relating to propriety and councillors' conduct.</p> <p>A complaints procedure is in place for the council to receive and investigate any complaint made against it, a member, or a member of staff.</p> <p>The Financial Procedure Rules make it clear that any suspected irregularities should be reported to the appropriate officers and the Whistleblowing Guide is available on the council website. Anti-Money Laundering Notes and an Anti-Fraud and Anti-Corruption Strategy are also available for staff and others.</p> <p>A number of anti-fraud messages have been included within the council's weekly staff newsletter to remind staff of their responsibilities regarding:</p> <ul style="list-style-type: none"> • declaration of interests, gifts and hospitality; • expenses claims; and • information security. <p>In addition, annual reminders continue to be sent to members advising them of the arrangements for reporting anything within the council they are concerned about.</p>

3b



Core Principle	Supporting Principles	St Edmundsbury Evidence
	<p>Ensuring that organisational values are put into practice and are effective.</p>	<p>The organisational values are defined in the Corporate Plan and these are, that the council:</p> <ul style="list-style-type: none"> • is focused on the needs of all those who use our services; • provides value for money; • manages resources, information and data effectively; • works in partnership; • strives for improvement; • values and invests in staff and councillors; • celebrates success; • is committed to promoting equality and diversity; and • is accountable and accessible. <p>The Financial Procedure Rules lay down the duties and responsibilities of the council and officers in relation to financial administration. All departments, employees and members of the council, and any associated organisations, are covered by the Rules.</p> <p>Internal Audit carry out a risk based programme of audit reviews ensuring controls are in place and are effective. These controls encompass financial systems, corporate governance arrangements, risk management and performance management.</p>

4a

Core Principle	Supporting Principles	St Edmundsbury Evidence
<p>4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.</p>	<p>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</p>	<p>The council's Constitution sets out how the council operates and the process for policy and decision making.</p> <p>Full Council sets the policy and budget framework, whilst all key decisions are made by the Cabinet. Cabinet meetings are open to the public (except where items are exempt under Freedom of Information Act). The Leader's Forward Plan of key decisions to be taken over the next four months is published on the council's website.</p> <p>All decisions made by Cabinet are made on the basis of written reports, including assessments of the legal, policy and resource implications, community impact, and consideration of the risk involved and how these will be managed. All Cabinet decisions are made in the full knowledge that they may be 'called in' by a small group of councillors.</p> <p>All committee agendas and minutes are available on-line for the public to access (except where there are restrictions).</p> <p>The council has an active scrutiny function and audit committee, as follows:</p> <ul style="list-style-type: none"> • The primary purpose of the Overview and Scrutiny Committee is to improve the delivery of policies and services by providing a check on the way the council works, i.e. by acting as a 'critical friend' and addressing the 'corporate health' of the authority as a whole. • The Performance and Audit Scrutiny Committee which acts as the council's audit committee has specific responsibility for scrutinising the Statement of Accounts, risk management, performance management, audit arrangements, the Annual Governance Statement and budgetary control and monitoring. <p>The Chief Finance Officer is responsible for maintaining an adequate and effective system of Internal Audit. Internal Audit currently has a full complement of committed, skilled and experienced staff.</p> <p>During 2009/10 the Audit Commission undertook their three year comprehensive review of Internal Audit's work against CIPFA's internal audit standards and found that Internal Audit is fully compliant with all eleven areas of the CIPFA code.</p> <p>The Chief Finance Officer has direct access to both the Audit Committee and the Audit Commission.</p>

4b

Core Principle	Supporting Principles	St Edmundsbury Evidence
	<p>Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/ needs.</p> <p>Ensuring that an effective risk management system is in place.</p>	<p>Policies and procedures governing the council's operations include both Financial and Contracts Procedure Rules. Ensuring compliance with these is the responsibility of management across the council. Internal Audit checks that policies and procedures are complied with. Where incidents of non-compliance are identified, appropriate action is taken.</p> <p>A complaints, comments and suggestions process is in place for service users who are not happy with the level of service provided.</p> <p>The Constitution includes the functions of both the Monitoring Officer and Chief Finance Officer, with specific regard to ensuring lawfulness and financial prudence of decision-making.</p> <p>Key services are measured both by the Audit Commission and ourselves to check how we compare to other councils and how our performance is improving, by the use of performance indicators.</p> <p>Budget monitoring reports are sent to budget holders on a monthly basis and also to Management Team with variances greater than £10k highlighted. This format makes significant variances more visible so that timely action can be taken to address them.</p> <p>In addition, budget monitoring reports are reviewed quarterly by the Performance and Audit Scrutiny Committee, with specific focus being given to the variances and an understanding of how and why they have arisen, and what action is being taken to address them.</p> <p>St Edmundsbury Borough Council collects and uses many different types of data from a wide variety of sources, which include customers, stakeholders and partners and other local authorities and government bodies.</p> <p>The council has established a Performance Management Group. Its vision is to support the council and its partners to improve performance and value for money for service users.</p> <p>St Edmundsbury has adopted a Data Quality Policy to set out clear objectives for maintaining and improving data quality. All council staff and councillors are required to adhere to this policy.</p> <p>The Risk Management Strategy provides guidance to members and officers on responsibilities and on the application of risk management processes.</p>

4c

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>A Strategic Risk Management Group, made up of senior officers and the portfolio holder with responsibility for risk has been established to oversee work on the development, promotion, implementation and embedding of risk management.</p> <p>The Group meet quarterly to review, update and monitor progress of the Corporate Risk Register, for consideration and challenge by Management Team and Performance and Audit Scrutiny Committee on a quarterly basis.</p> <p>Mitigating actions are agreed and implemented, with each having individual owners and, where possible, target completion dates. The greatest number of risks will be reduced (treated) which involves taking action to reduce either the probability or the impact of the risk, this will be through the selection and implementation of a control or range of controls.</p> <p>It is the role of the council's Internal Audit section to review, appraise and report on the effectiveness and efficiency of the system of internal control, risk management and governance and how these arrangements are operating. This is achieved by undertaking audits across the council's functions in accordance with the Audit Plan. Annually, the Internal Audit Manager drafts a report for presentation at the Performance and Audit Scrutiny Committee which includes his opinion on the adequacy and effectiveness of the council's risk management systems and internal control environment.</p> <p>Arrangements are in place to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.</p> <p>The council's Monitoring Officer advises management on new legislation and compliance with the council's Constitution. She will also use her statutory powers to report to Full Council where there has been non-compliance with legislation or with the council's own procedures.</p> <p>Within service areas staff monitor the introduction of legislation specific to their expertise, for example changes to planning fees or new food safety regulations.</p> <p>Where legislation has a corporate or cross-cutting effect, Legal Services will generally co-ordinate dissemination of information and training.</p> <p>A protocol for the referral of Councillor Calls for Action to the Overview and Scrutiny Committee has been introduced, to guide members seamlessly through the process.</p>

Using their legal powers to the full benefit of the citizens and communities in their area.



5a

Core Principle	Supporting Principles	St Edmundsbury Evidence
<p>5 Developing the capacity and capability of members and officers to be effective.</p>	<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p> <p>Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p> <p>Encouraging new talent for membership of the council so that best use can be made of resources in balancing continuity and renewal.</p>	<p>The council provides chief officers with all necessary resources which in their opinion are sufficient to allow their duties to be performed.</p> <p>The council aims to ensure that members and officers of the council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent staff in effective service delivery.</p> <p>Job descriptions and person specifications have been drawn up for posts to ensure that the best candidates are appointed into each position.</p> <p>All officers employed by the council receive an annual Performance Development Review at which performance can be measured against set objectives. Training needs are also identified as part of this process and addressed via the Human Resources service and / or individual service as appropriate.</p> <p>A Workforce Development Plan is in operation and this includes the following aspects: developing leadership capacity, developing skills and capacity of the workforce, developing the organisation, resourcing local government and pay and rewards. The council's Corporate Development Programme ensures that all staff have access to the training required to do their jobs and innovate and improve services provided to the community. Training courses are regularly advertised in the weekly staff newsletter including the 'Learning at Work Week' held in October 2009. Management of the council's workforce planning was independently assessed by the Audit Commission as part of the 2008/09 Comprehensive Area Assessment exercise. Performance in this area was judged to be excellent.</p> <p>E-learning modules continue to be developed; topics include health and safety, fraud awareness, risk management, climate change and ICT Security. Learning in this way brings with it a number of benefits, for example, convenience, affordability, ease of use and informative.</p> <p>A learning and development resource page is available for employees on the intranet. The page contains quick links, contact information, information relating to local providers and other learning and development resources.</p> <p>The council encourages succession planning and promotion from within. This ensures that valuable skills and experience are rewarded and passed on rather than being lost.</p>

5b

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>The Revenue and Benefits Section and Finance Section have introduced career grades to assist with succession planning.</p> <p>Induction and training programmes are in place for both members and officers. Induction training courses for members are provided after each election which are open to experienced as well as new members, and include a section on standards, ethics and codes of conduct. Corporate induction days are held for new officers joining the council, the most recent being in September 2009. Its aim to provide an overview of the corporate vision and priorities of St Edmundsbury Borough Council, an understanding of the activities of the council and the role of staff in these activities.</p> <p>Each year all councillors are provided with a Member Development Plan to complete, in order to identify their own priorities for improved skills and knowledge. In addition, a range of skills workshops via the Member Development Programme are offered to councillors.</p> <p>The council attained the East of England Regional Assembly Member Development Charter in 2007. We will be renewing our Charter in 2010.</p> <p>Political groups have a role in encouraging new talent and representatives of all sections of the community to stand for election as members of the council.</p> <p><i>'The council has a Members' Development Charter with personal development plans for councillors and a comprehensive range of training courses are available. The three new portfolio holders have been peer mentored and councillors have also benefited from IDeA1 Leadership Academy training.'</i> (Corporate Assessment, Audit Commission, 2008).</p> <p>The Community Engagement Strategy sets out the council's commitment to community engagement. It details how we will coordinate the way we engage with all our communities in St Edmundsbury to improve local services and help local people to influence decisions by making sure they have the information necessary to make informed decisions.</p>

6a

Core Principle	Supporting Principles	St Edmundsbury Evidence
<p>6 Engaging with local people and other stakeholders to ensure robust public accountability.</p>	<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<p>St Edmundsbury Borough Council recognises that communication with all stakeholders plays a fundamental role in the successful delivery of high quality, cost effective services.</p> <p>The council is constantly striving to improve its communications performance, to build on its track record of continuous improvement and to ensure that the authority as a whole is open and accessible to the community, service users and staff.</p> <p>The council continues to listen to feedback from the local community and to learn from best practice across the country. With this in mind, the council has developed its Communications Strategy. This Strategy, which covers the period 2007 to 2010 details the actions planned to improve effective communications with all stakeholders across a range of methods and approaches. A new Communications Strategy is due in 2010 and is likely to include aspects of shared communications with our preferred partner, Forest Heath District Council.</p> <p>The council recognises the importance of partnership working and the benefits it can bring in the shaping, commissioning and delivery of services for local people and achieving more efficient and effective use of resources. The council is involved in a number of partnerships that continue to evolve and many more partnerships are likely to be formed in the future. Through its Partnership Strategy (approved by Cabinet December 2009), the council set out its long term vision for successful partnership working and defines clear guidance for future partnership arrangements and ensures that existing partnerships are monitored and reviewed appropriately.</p> <p>We established the West Suffolk Local Strategic Partnership in 2001, in response to the Government's requirement that local authorities work more closely in partnership with other organisations. The Community Strategy provides an effective framework within which a variety of geographic and thematic partnerships can operate. The partnership is made up of public sector organisations, community and voluntary organisations, businesses and local people. (Audit Commission, 2008)</p>

6b

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p><i>Overview and Scrutiny work proactively to identify improvements. For example, following work commissioned by Overview and Scrutiny on the evening economy, the council is sharing information with the Police on the location of licensed premises, crime and noise incidents to build up a map of 'hot spots' which will be used to update the Licensing Statement of Policy. The findings from this have also been incorporated in the wider 'put a cork in it' campaign which is running within the borough.</i> (Corporate Assessment , Audit Commission, 2008)</p> <p>The Overview and Scrutiny Committee has a variety of ways in which to challenge the Cabinet, one being via the call-in process, although the council uses this mechanism sparingly, which can be taken as a sign that the decision making process is working as it should. The council only had one call-in during 2009/10.</p> <p>The Councillor Call for Action (CCfA) has been introduced which allows the council to refer matters to its Overview and Scrutiny Committee for consideration. The aim is to help councillors raise matters on an authority's agenda on behalf of their constituents. This measure has been used on four occasions during 2009/10.</p> <p>The Annual Scrutiny Report sets out achievements and explains the future work programme. The report is not intended to cover all the work of the scrutiny committees, but to present some examples of where and how scrutiny has contributed to changes and service improvements.</p> <p>The Community Engagement Strategy sets out the council's commitment to community engagement. It details how we will coordinate the way we engage with all our communities in St Edmundsbury to improve local services and help local people to influence decisions by making sure they have the information necessary to make informed decisions. This Strategy supports our aspiration for partnership working as set out in our Partnership Strategy, which states: "Partnership working is becoming increasingly important to ensure that services are delivered to local people and communities in an effective way and making the best use of available resources".</p> <p>St Edmundsbury consults routinely with the public on a range of matters, for example, the Community Engagement Strategy, East of England Plan to 2031, and the Local Development Framework. The council's home page provides links to various activities that invite consultation with the public.</p>

6c

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>In February 2008 a Statement of Community Involvement setting out the council’s policy for involving the community in the preparation of local development documents and in the consideration of planning applications was approved. The document indicates when and how people can get involved in planning matters and what they should expect when they do. The Statement of Community Involvement forms the basis of the Community Engagement Strategy.</p> <p><i>‘The council has a range of externally focused communications which are published on a monthly, bi-monthly and quarterly basis. The council tailors communication to the needs of its communities. For example, providing a rural news publication specifically focused on locally identified parish council issues, whilst the town centre newsletter is emailed on a monthly basis to over 2,000 individuals and businesses. The approach to communication gives a framework for the council to provide community leadership across partners, stakeholders, community and internally’. (Corporate Assessment, Audit Commission, 2008)</i></p> <p>The council’s Economic Development section also produces a regular newsletter which is sent to businesses within the Borough and partner agencies. The council engages a wide range of stakeholders in order to understand their needs. For example: Portuguese community in Haverhill; business ratepayers; twice yearly Parish Conference; business events; parish councils; Youth Forum; disability networks; community groups; Countryside Forum; and market traders. This engagement assists us to identify priorities and plan our services.</p> <p>For several years there has been a half-hour Public Question Time at the start of each full council meeting which is open to residents of the Borough and is always used. The questions and responses are minuted briefly to indicate the topics raised, which have recently included the Apex and the proposed Gypsy and Traveller site at Kelly’s Meadow.</p> <p>The Annual Report shows how the council has built upon its foundations over the year through a series of Cabinet commitments – our promises to deliver what our residents and businesses tell us is most important to them. The Annual Report also sets out our plans for the year ahead and beyond. Being clear on what is a priority is essential if we are to continue providing high quality services in key areas.</p>

6d

Core Principle	Supporting Principles	St Edmundsbury Evidence
		<p>The Bury St Edmunds Public Service Village is an innovative partnership, initially between St Edmundsbury Borough Council and Suffolk County Council. West Suffolk House is the first phase of this development and opened in March 2009. It brings together a range of public sector services on one site, providing better, more cost-effective services and better value for money for customers. Bringing both groups together in one building provides the opportunity for much closer working and co-ordination of services.</p> <p>For example:</p> <ul style="list-style-type: none"> • A dedicated police officer has the ability to work within West Suffolk House in the Licensing Team dealing with licensing issues and offences related to licensed premises to develop a truly joined up approach to these night time economy issues; and • The Safer Neighbourhood Team visits West Suffolk House for 2 hours a day, three times per week. The police are available to answer queries and concerns raised by the public. <p>The council has a formal complaints procedure which allows the public or other stakeholders to make a complaint regarding the service received from the council. Complaints can be made on-line, by telephone, or in writing, and the council has set targets for responding to all complaints received, ensuring accountability to its stakeholders.</p> <p><i>The council also manages its staff resources effectively. It has a workforce development plan and a clear personal performance and development system for managers and staff. The council's innovative approach to staff care includes arrangements such as the Working on Wellbeing (WOW) initiative and Lifelong Learning Programme which offers a broad range of activities such as helping with literacy skills'. (Corporate Assessment , Audit Commission, 2008)</i></p> <p>Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p> <p>Consultation with staff is carried out through staff briefings, the staff survey and through formal consultation with the Trades Union (Unison).</p>

126







St Edmundsbury
BOROUGH COUNCIL



West Suffolk House
Western Way
Bury St Edmunds
Suffolk
IP33 3YU

Telephone: 01284 352000
Fax: 01284 757378

www.stedmundsbury.gov.uk