

Performance and Audit Scrutiny Committee



Title	Agenda											
Date	Thursday 27 July 2023											
Time	5.00 pm											
Venue	Conference Chamber West Suffolk House Western Way Bury St Edmunds, Suffolk, IP33 3YU											
Full Members	<p style="text-align: center;">Chair Peter Armitage Vice Chair Andy Neal</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Conservative Group (5)</td> <td style="width: 33%;">John Augustine Nick Clarke Mike Chester</td> <td style="width: 33%;">Ian Houlder Karen Richardson</td> </tr> <tr> <td>Independents (4)</td> <td>Richard Alecock Andy Neal</td> <td>Frank Stennett Phil Wittam</td> </tr> <tr> <td>Progressive Alliance Grouping (3)</td> <td>Peter Armitage Janne Jarvis</td> <td>Sue Perry</td> </tr> </table>			Conservative Group (5)	John Augustine Nick Clarke Mike Chester	Ian Houlder Karen Richardson	Independents (4)	Richard Alecock Andy Neal	Frank Stennett Phil Wittam	Progressive Alliance Grouping (3)	Peter Armitage Janne Jarvis	Sue Perry
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Substitutes	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Conservative Group (2)</td> <td style="width: 33%;">John Griffiths</td> <td style="width: 33%;">Marion Rushbrook</td> </tr> <tr> <td>Independents (2)</td> <td>Jools Savage</td> <td>Don Waldron</td> </tr> <tr> <td>Progressive Alliance Grouping (2)</td> <td>Pat Hanlon</td> <td>Liz Smith</td> </tr> </table>			Conservative Group (2)	John Griffiths	Marion Rushbrook	Independents (2)	Jools Savage	Don Waldron	Progressive Alliance Grouping (2)	Pat Hanlon	Liz Smith
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Progressive Alliance Grouping (2)	Pat Hanlon	Liz Smith										
By invitation	Diane Hind	Portfolio Holder for Resources										
Interests – declaration and restriction on participation	Members are reminded of their responsibility to declare any disclosable pecuniary interest, other registerable or non-registerable interest which they have in any item of business on the agenda, no later than when that item is reached and, when appropriate, to leave the meeting prior to discussion and voting on the item.											
Quorum	Six Members											
Committee administrator	Christine Brain Democratic Services Officer (Scrutiny) Telephone 01638 719729 Email democratic.services@westsuffolk.gov.uk											

<p>Venue</p>	<p>Conference Chamber West Suffolk House, Western Way, Bury St Edmunds, Suffolk, IP33 3YU</p>
<p>Contact information</p>	<p>Telephone: 01638 719729 Email: democratic.services@westsuffolk.gov.uk Website: www.westsuffolk.gov.uk</p>
<p>Access to agenda and reports before the meeting</p>	<p>The agenda and reports will be available to view at least five clear days before the meeting on our website.</p>
<p>Attendance at meetings</p>	<p>This meeting is being held in person in order to comply with the Local Government Act 1972.</p> <p>Measures have been applied to ensure the health and safety for all persons present at meetings.</p> <p>We may also be required to restrict the number of members of the public able to attend in accordance with the room capacity.</p> <p>If you consider it necessary for you to attend, please let Democratic Services know in advance of the meeting so they can endeavour to accommodate you and advise you of the necessary health and safety precautions that apply to the meeting. For further information about the venue, please visit http://www.westsuffolk.gov.uk/contact-us-cfm</p>
<p>Public participation</p>	<p>Members of the public who live or work in the district are welcome to speak and may ask one question or make a statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only.</p> <p>If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.</p> <p>The Constitution allows that a person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start.</p> <p>In accordance with government guidance, the Council has developed general protocols on operating buildings safely in order to reduce the risk of the spread of coronavirus.</p> <p>We would therefore strongly urge anyone who wishes to register to speak to notify Democratic Services by 9am on the day of the meeting so that advice can be given on the arrangements in place.</p>

	There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.
Accessibility	If you have any difficulties in accessing the meeting, the agenda and accompanying reports, including for reasons of a disability or a protected characteristic, please contact Democratic Services at the earliest opportunity using the contact details provided above in order that we may assist you.
Recording of meetings	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>
Personal Information	<p>Any personal information processed by West Suffolk Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm or call Customer Services: 01284 763233 and ask to speak to the Information Governance Officer.</p>

Agenda

Procedural matters

1. Substitutes

Any member who is substituting for another member should so indicate, together with the name of the relevant absent member.

2. Apologies for absence

3. Minutes

To confirm the minutes of the meeting held on 22 June 2023 (copy attached.)

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4. Declarations of interest

Members are reminded of their responsibility to declare any disclosable pecuniary interest or other registerable interest which they have in any item of business on the agenda, **no later than when that item is reached** and to leave the meeting prior to discussion and voting on the item.

Part 1 – public

5. Public participation

Members of the public who live or work in the district are welcome to speak and may ask one question or make a statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

In accordance with government guidance, the Council has developed general protocols on operating buildings safety in order to reduce the risk of the spread of coronavirus and will apply to members of the public registered to speak. **We would therefore strongly urge anyone who wishes to register to speak to notify Democratic Services by 9am on the day of the meeting so that advice can be given on the arrangements in place.**

There is an overall limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.

6.	Ernst and Young - 2021 to 2022 Audit Results Report to those Charged with Governance Report number: PAS/WS/23/013	9 - 66
7.	2023 to 2024 Performance Report (Quarter 1) Report number: PAS/WS/23/014	67 - 154
8.	Annual Financial Resilience Management Report 2022 to 2023 Report number: FRS/WS/23/003 was considered by the Financial Resilience Sub-Committee on 17 July 2023.	155 - 168
9.	Treasury Management Report (June 2023) Report number: FRS/WS/23/004 was considered by the Financial Resilience Sub-Committee on 17 July 2023.	169 - 182
10.	Annual Appointments to the Financial Resilience Sub-Committee and Health and Safety Sub-Committee (2023 to 2024) Report number: PAS/WS/23/015	183 - 188
11.	Work programme update Report number: PAS/WS/23/016	189 - 192
12.	Exclusion of the Press and Public To consider whether the press and public should be excluded during the consideration of the following item because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item, there would be disclosure to them of exempt categories or information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	
	Part 2 – exempt	
13.	2023 to 2024 Performance Report Quarter 1 - EXEMPT Appendix F Exempt Appendix F to Report number: PAS/WS/23/014 (This exempt appendix is to be considered in private under paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, as it contains information relating to an individual and information which is likely to reveal the identity of an individual).	193 - 194

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Performance and Audit Scrutiny Committee



Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 22 June 2023** at **5.00pm** in the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present **Councillors**

Chair Peter Armitage

Richard Alecock
John Augustine
Ian Houlder

Sue Perry
Karen Richardson
Frank Stennett

Substitutes attending for a full member

Susan Glossop
Andrew Smith

Don Waldron

In attendance

Diane Hind, Cabinet Member for Resources
Gerald Kelly, Cabinet Member for Governance and Regulatory
Cliff Waterman, Leader of the Council

177. **Substitutes**

The following substitution was declared:

Councillor Susan Glossop substituting for Councillor Mike Chester.
Councillor Andrew Smith substituting for Councillor Nick Clarke.
Councillor Don Waldron substituting for Councillor Andy Neal.

178. **Apologies for absence**

Apologies for absence were received from Councillor Mike Chester, Nick Clarke, Janne Jarvis and Andy Neal.

179. **Minutes**

The minutes of the meetings held on 26 January 2023 and 30 March 2023 were confirmed as correct records and signed by the Chair.

180. **Declarations of interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

181. Public participation

No members of the public in attendance had registered to speak.

182. 2022 to 2023 Performance Report (Quarter 4)

[Councillor John Augustine arrived at 5.15pm during the consideration of this item.]

The Cabinet Member for Resources presented report number PAS/WS/23/007, which included the full year end financial position and the performance dashboard for the period January to March 2023.

The Cabinet Member drew the Committee's attention to the financial outturn summary which showed a deficit of £0.6m. The underlying cause for this was the slow recovery in relation to income streams. The Committee was reminded that if it wished to speak in detail on Exempt Appendix F – Aged debt over 90 days, which would need to be conducted with a vote to go into a private session.

She then highlighted a number of Key Performance Indicators (KPIs), which members might wish to be aware of as they prepared to scrutinise the dashboards over the coming months, being:

- As the dashboards related to Quarter 4, a full year's data was available on:
 - Council Tax and business rates.
 - Housing delivery.
- A new indicator had been included since the Quarter 3 report around damp and mould, given the current national focus on the issue.
- The covering report included additional data in relation to the cost of living, which would in future be embedded in the main dashboards.

The Cabinet Member informed the Committee if there were issues where it would like to ask questions, and the relevant information was not available tonight or where further information was needed, written responses would be provided to the Committee. Or the Committee could invite the relevant Portfolio Holder to a future meeting for further discussions.

Attached to the Quarter 4 performance and year-end-financial outturn position for 2022 to 2023 were a number of appendices as follows:

- Appendix A: Key Performance Indicator Dashboards
- Appendix B: Income and expenditure report
- Appendix C: Capital Programme
- Appendix D: Earmarked reserves
- Appendix E: Strategic Risk Register
- EXEMPT Appendix F – Aged debt over 90 days

The Committee considered the KPI's and did not raise any issues.

The Service Manager (Finance and Procurement), presented the financial element of the report and drew the Committee's attention to a number of headlines, being:

- Pages 25 to 26: Deficit of £0.6m
- Page 26: The graph showing the £1.5m reduced income, £1.2m of that related to a reduction in car park income.
- High inflation during the year had impacted on fuel and utilities, and this was set out across individual areas in Appendix B.

The Committee considered the report and asked questions on the financial aspect of the report, to which responses were provided. In particular discussions were held on interest rates received on council investments; car parking income and investment income and the counter parties set out in the council's Treasury Management Strategy Statement 2023 to 2024.

In response to a question about the impact of the high inflation rate, the Cabinet Member advised that high inflation was a risk to the council's budget. However, the budget assumptions were reviewed on a monthly basis to ensure the budget was on track.

In response to a question raised about future external borrowing, the Cabinet Member advised that external borrowing could have an effect on future projects. The council would be monitoring interest rates before borrowing externally, and would look at each project on its merits, and could delay projects, if necessary.

At the conclusion of the discussions, the Committee **noted** the year end 2022 to 2023 revenue and capital positions as detailed in report number PAS/WS/23/007 and attached appendices.

183. **Exclusion of the Press and Public**

With the vote being unanimous, it was

Resolved:

That, under Section 100(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

184. **2022 to 2023 Performance Report (Quarter 4): Exempt Appendix F**

The meeting moved into private session to allow for the Committee to pose specific questions on the information which related to the aged debt over 90 days, as set out in this exempt Appendix F.

Once the discussion was concluded, the Committee then moved back into the open session of the meeting.

185. **Re-admittance of press and public**

The press and public were re-admitted to the meeting.

186. **Internal Audit Annual Report (2022 to 2023) including results of external assessment of internal audit**

The Cabinet Member for Resources presented Report No: PAS/WS/23/008 which provided members with an overview of the work carried out by Internal Audit for the year ending 31 March 2023.

The annual audit opinion, attached at Appendix A to the report was split into the four constituent elements of governance; risk; internal control and financial control with a specific conclusion drawn on each, as well as the direction of travel.

The council recognised that fraud, theft and corruption were an ever-present threat to the resources available in the public sector. Appendix B attached to the report demonstrated West Suffolk's progress in developing and maintaining an anti-fraud and anti-corruption culture and publicised the action taken where fraud or misconduct had been identified.

All of the work included in the approved 2022 to 2023 audit plan had been completed with the exception of the Performance Management audit which was currently in progress. In addition, although the Operational Risks audit had been completed, the draft report for the audit was currently being discussed with management and remained to be finalised.

The Committee considered the report and did not raise any issues.

There being no decision required, the Committee **noted** the Internal Audit Annual Report 2022 to 2023, attached at Appendix A and the Annual Fraud Report 2022 to 2023, attached at Appendix B and the external assessment of internal audit, attached at Appendix C to Report No: PAS/WS/23/008.

187. **Outline Internal Audit Plan (2023 to 2024)**

The Cabinet Member for Resources presented Report No: PAS/WS/23/009, which provided members with a proposed 2023-2024 Audit Plan, attached at Appendix B. Attached at Appendix A to the report was the covering Internal Audit Plan Report.

The proposed Audit Plan was a risk-based plan of work for the internal audit team, which took into account the need to produce an annual internal audit opinion for the council which concludes on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control.

It was important that the audit plan was flexible and able to adapt to changing risks facing the council, thereby ensuring that audit resources were used where they would add maximum value.

The Committee considered the report and did not raise any specific issues.

Councillor Karen Richardson moved the recommendation, this was duly seconded by Councillor Andrew Smith, and with the vote being unanimous, it was:

RESOLVED:

That the Internal Audit Plan for 2023 to 2024, attached at Appendix A and B to Report No: PAS/WS/23/009, be approved.

188. Annual Report from the Health and Safety Sub-Committee

The Cabinet Member for Governance and Regulatory presented Report No: PAS/WS/23/010, which summarised the work carried out by the Health and Safety Sub-Committee during 2022-2023. He then explained that the health and safety service had recently been restructured with health and safety being merged with human resources, and introduced Wendy Canham, Service Manager for HR, Health and Safety, Learning and Development and Richard King, the new Health and Safety Manager to the Committee.

The summary report attached at Appendix A was produced to identify and document West Suffolk Council's health and safety performance and work carried out during the year to ensure legal compliance.

The Cabinet Member then drew the Committee's attention to the following sections of the report:

- Section 2: Overview of incidents and near misses
- Section 5: Wellbeing initiatives delivered during 2022 to 2023.
- Section 7: Inspections, audits and fire risk assessments, which were all up to date.

The Committee considered the report and asked questions. In particular discussions were held on incidents and near misses and what steps were being introduced to decrease numbers; how many staff were on long-term sick through council incidents and Martyn's Law draft legislation to ensure stronger protections against terrorism in public places, to which responses were provided.

There being no decision required, the Committee **noted** the Health and Safety Summary Report 2022 to 2023.

189. Annual Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee (2023 to 2024)

The Chair of the Committee presented report number PAS/WS/23/011, which sought the annual appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee.

The Constitution sets out that the appointment of members to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee be undertaken at the first meeting of the Performance and Audit Scrutiny

Committee, following Annual Council or following a review of the allocation of seats on committees during the year.

Attached at Appendix 1 and Appendix 2 to the report were the terms of reference for the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee.

The Committee was asked to:

- 1) Appoint three members and one substitute member from the members of the Performance and Audit Scrutiny Committee to sit on the Financial Resilience Sub-Committee for 2023 to 2024.

The Committee was advised that the substitute place on the Sub-Committee had not been allocated to a group. The Committee may appoint a member to the group. If it was deemed not practical to do so then in the event that a member of the Sub-Committee could not attend a temporary substitute may be nominated by the group leader to the Monitoring officer; and

- 2) Appoint six members and two substitute members from the members of the Performance and Audit Scrutiny Committee to sit on the Health and Safety Sub-Committee for 2023 to 2024.

Financial Resilience Sub-Committee:

The Chair asked for one nomination from the Conservative Group; one from the Independents and one from the Progressive Alliance Grouping.

Councillor Ian Houlder nominated himself from the Conservative Group.
Councillor Frank Stennett nominated himself from the Independents.
Councillor Sue Perry nominated herself from the Progressive Alliance Grouping.

No further nominations were received from either of the political groups.

In relation to the appointment of a substitute to the Financial Resilience Sub-Committee, the Committee felt that due to the number of apologies received for this meeting, that the appointment should be deferred to the next meeting of the Committee.

Health and Safety Sub-Committee:

The Committee considered the appointments, and felt that due to the number of apologies received for this meeting, that the appointments to the Health and Safety Sub-Committee should be deferred to the next meeting of the Committee, being 27 July 2023.

With the vote being unanimous, it was,

RESOLVED: That

- 1) Councillors Ian Houlder (Conservative Group), Frank Stennett (Independents) and Sue Perry (Progressive Alliance Group), be

appointed as full members to the Financial Resilience Sub-Committee for 2023 to 2024.

- 2) The appointment of a substitute to the Financial Resilience Sub-Committee be deferred for consideration by the Committee at its next meeting on 27 July 2023.
- 3) The appointments to the Health and Safety Sub-Committee be deferred for consideration by the Committee at its next meeting on 27 July 2023.

190. **Work programme update 2023 to 2024**

The Committee received report number: PAS/WS/23/012, which updated members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

The Committee considered the report and did not raise any issues.

There being no decision required, the Committee **noted** the update and the deferred report on the Annual Appointments to the Health and Safety Sub-Committee, which would be rescheduled for its next meeting on 27 July 2023.

The meeting concluded at 6.00pm

Signed by:

Chair

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Ernst and Young – 2021 to 2022 Audit Results Report to those Charged with Governance

Report number:	PAS/WS/23/013	
Report to and date(s):	Performance and Audit Scrutiny Committee	27 July 2023
Cabinet member:	Councillor Diane Hind Portfolio Holder for Resources Tel: 07890 198957 Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director (Resources and Property) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is not required to be included in the Decisions Plan.

Wards impacted: All wards

Recommendation: It is recommended that:

- 1. The Committee notes that the work in respect of the audit opinion on the financial statements of West Suffolk Council for 2021 to 2022 is complete. A current draft, issuing an unqualified audit opinion, is set out in the Audit Results Report - Appendix A**

- 2. The Committee notes that the auditor has no matters to report on the council's arrangements to secure economy, efficiency and effectiveness in our use of resources (Appendix A).**

- 3. Notes that the Chief Financial Officer, in consultation with the Chair of the Performance and Audit Scrutiny Committee, have delegation to conclude the signing of the 2021 to 2022 accounts.**

1. Context to this report

- 1.1 Ernst and Young (EY), the council's appointed external auditor, are formally required to report the results of their audit of the 2021 to 2022 financial statements of West Suffolk Council, to those charged with governance. This committee is charged with governance in accordance with powers delegated to it under the council's constitution.
- 1.2 EY are also required to report on the results of the work undertaken to assess the council's arrangements to secure value for money (VFM) in the use of resources.
- 1.3 An Audit Update Report was presented to this committee by EY on 30 March 2023 which gave details of the progress of the audit and processes outstanding at that time - [Link to 30 March 2023 PASC agenda](#).
- 1.4 The audit is now completed with the exception of the audit partners final review and conclusion steps, and the results of both the audit of the financial statements and the VFM conclusion are contained in the Audit Results Report (**Appendix A**).
- 1.5 The EY Partner will attend the meeting to present the report and give a substantive update.

2. Proposals within this report

- 2.1 In March 2021, new regulations - the Accounts and Audit (Amendment) Regulations 2021 - came into force. These announced a change to the publication date for final, audited accounts from 31 July to 30 September 2021 for all relevant authorities. In light of ongoing local audit delays and capacity issues, the government subsequently introduced secondary legislation to extend the deadline to 30 November 2022 for the 2021 to 2022 accounts.
- 2.2 Due to external factors out of our control and the planned phased approach to delivering the 2021 to 2022 audits across Suffolk, the external audit of the draft accounts of West Suffolk did not begin until mid-February 2023 and it was not possible, therefore, to complete the audit and publish the accounts by the end of November 2022 in line with the regulations. This situation is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015.
- 2.3 The council's unaudited 2021 to 2022 Statement of Accounts, signed by the Chief Financial Officer (Section 151 Officer) on 28 June 2022, has been updated to reflect any adjustments recommended by EY over this period as a result of their audit work. It should be noted by Members that these

adjustments do not affect the council's overall financial position and are, in most cases, simply presentational changes.

2.4 At the March 2023 Committee meeting, approval was given for the Chief Financial Officer, in consultation with the Chair of the Performance and Audit Scrutiny Committee, to have delegated authority to conclude the signing of the 2021 to 2022 accounts. At the time of writing, it is not anticipated that at this stage there will be any significant issues with the accounts provided for [as a link here](#), but there are still a small number of audit procedures to be concluded. Should there be any unadjusted or material audit errors between now and the opinion date, the auditor will prepare an Addendum and agree this through the Chair of the Performance and Audit Committee.

2.5 Where the auditors place reliance on management representations in respect of certain judgemental matters, completeness of information and other issues, they require these representations in the form of a signed and dated letter. A draft Letter of Representation was approved at the March meeting of the committee, and there have been no subsequent changes.

3. Alternative options that have been considered

3.1 The audit of the financial statements is governed by the Local Audit and Accountability Act 2014 and is conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Therefore, there are no alternative options.

4. Consultation and engagement undertaken

4.1 This report and the appendices have been compiled by the Finance team in consultation with external audit.

5. Risks associated with the proposals

5.1 The reporting and approval of the annual accounts is a statutory function. The accounts are examined and certified by independent auditors, therefore there are no risks associated with the proposals.

6. Implications arising from the proposals

6.1 All implications arising from the proposals are covered within the report and its associated appendices.

7. Appendices referenced in this report

- 7.1 **Appendix A** – West Suffolk Council Audit Results Report Year ended 31 March 2022

8. Background documents associated with this report

- 8.1 Ernst and Young 2021 to 2022 Audit Progress Report (PAS.WS.23.004)
[Link to 30 March 2023 PASC agenda.](#)

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West Suffolk Council

Audit results report

Year ended 31 March 2022

14 July 2023

14 July 2023



Performance and Audit Scrutiny Committee
West Suffolk Council
West Suffolk House
Bury St Edmunds
Suffolk
IP33 3YU

Dear Performance and Audit Scrutiny Committee Members

2021/22 Audit Results Report

We are pleased to attach our final Audit Results Report, providing an update to the Progress Report presented to the 30 March 2023 Performance and Audit Committee. We will update the Performance and Audit Scrutiny Committee at its meeting scheduled for 27 July 2023 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2021/22 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on West Suffolk Council' accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements.

This report is intended solely for the information and use of the Performance and Audit Scrutiny Committee, other members of the Council and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Performance and Audit Scrutiny Committee meeting on 27 July 2023.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

Encl

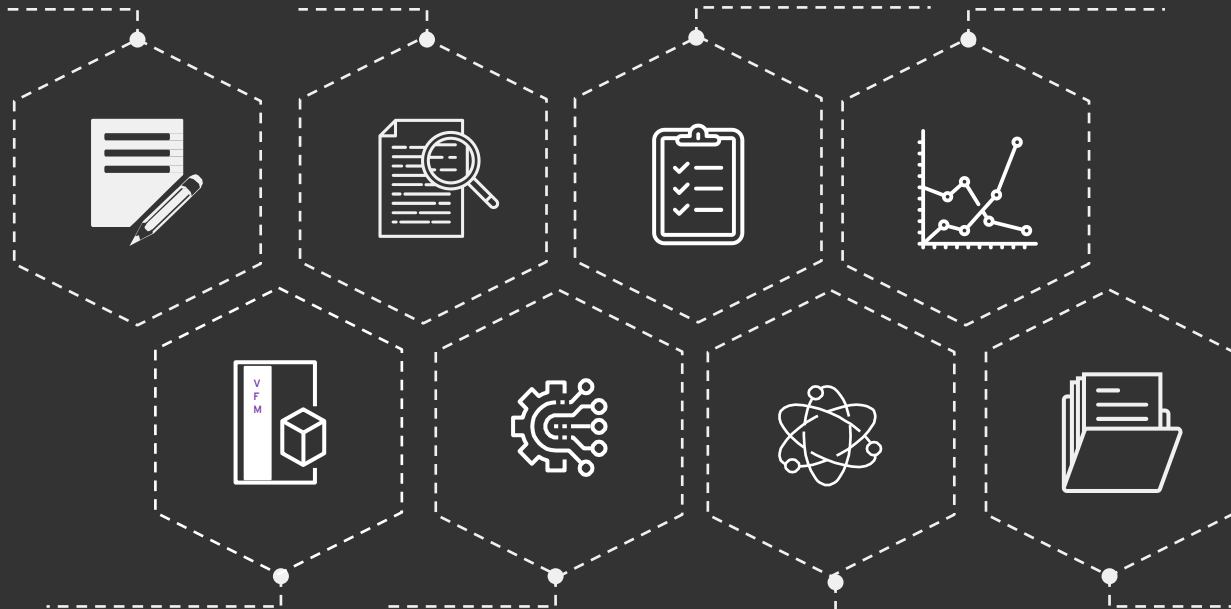
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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Performance and Audit Scrutiny Committee and management of West Suffolk Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Performance and Audit Scrutiny Committee, and management of West Suffolk Council those matters we are required to state to them in this report and for no other purpose.

To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Performance and Audit Scrutiny Committee and management of West Suffolk Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Executive Summary

Executive Summary

Scope update

In our Provisional Audit Plan, which was presented to the Performance and Audit Scrutiny Committee meeting on 29 September 2022, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this Plan.

We have revisited our materiality calculation and confirmed that the level of £2.43 million set at planning stage remained appropriate.

We have not made any revisions to the audit risks and planned audit procedures set out within the Provisional Audit Plan.

Status of the audit

Our audit work in respect of the Council's opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report:

Outstanding procedures

- Page 19
- Going concern assessment and disclosures;
 - Subsequent events review;
 - Agreement of the final set of financial statements;
 - Receipts of signed management representation letter; and
 - Final Manager and Engagement Partner reviews.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix C.

Subject to satisfactory completion of the outstanding items above, we do not expect to modify our opinion. However, until our audit work is complete, further differences may arise.

Status of the 2021/22 audit

Areas of audit focus

In our Audit Plan, we identified a number of key areas of focus for our audit of the financial report of West Suffolk Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" Section 02 of this report.

Below we have summarised the conclusions of our work on the areas of audit focus and where this has changed from the position reported in our Provisional Audit Results Report

Risk / area of focus	Risk identified	Progress to date
Management Override: Misstatement due to fraud or error	Fraud	We have not identified any evidence that Management has overridden controls in order to prepare fraudulent financial statement balances or postings within the financial statements from the work completed to date.
Risk of inappropriate capitalisation of revenue expenditure	Fraud	We completed our work on the testing of capital additions made to property, plant and equipment during the year and have not identified any evidence of manipulation through inappropriate capitalisation.
Valuation of the Mildenhall Hub	Significant risk	<p>We have completed our audit work in this area. Our internal expert concluded that overall the valuation of the Mildenhall Hub fell within a reasonable range, but a number of individual assumptions within the valuation were not supportable and the 3G sports pitch had not been valued resulting in an increase in the value of the Mildenhall Hub of £0.96 million which will be amended by Management. See Section 04 of this report for further details.</p> <p>We also identified that at the time of writing this report a number of the leases relating to the Mildenhall Hub remain unsigned, see Section 06 of this report for further details.</p>
Valuation of Council's solar farm asset	Significant risk	We have completed our audit work in this area. Our internal expert identified a number of assumptions which required updating within the valuation model which resulted in an increase in the value of the solar farm of £4.99 million which will be amended by management. See Section 04 of this report for further details.
Infrastructure Assets	Inherent	We have completed our audit work in this area and have no matters to report.
Property, Plant and Equipment - Valuation of Land and Buildings	Inherent	We have completed our audit work in this area and have no matters to report.

Status of the 2021/22 audit

Areas of audit focus (continued)

Risk / area of focus	Risk identified	Progress to date
Group Account consolidation	Inherent	We have completed our audit work in this area and have no matters to report.
Pensions Liability Valuation	Inherent	We have completed our audit work in this area. The Council obtained an updated IAS19 report in March 2023 following release of the March 2022 triennial valuation and have amended the statements to reflect an increase in pension liability of £4.28 million. See Section 04 of this report for further details.



Executive Summary

Auditor responsibilities under the Code of Audit Practice 2020

Under the Code of Audit Practice 2020, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- **Financial sustainability**
How the Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance**
How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness:**
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Status of the audit - Value for Money

In our Provisional Audit Plan, we reported that we had not completed our detailed Value for Money (VFM) planning.

We have now completed our VFM risk assessment and have not identified any risk of significant weakness against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We plan to issue the VFM commentary as part of issuing the Auditor's Annual Report by the end of September 2023.

Executive Summary

Audit differences

We have identified a number of audit difference to bring to your attention summarised below. We expect management to adjusted for these audit differences. Further details on these differences can be found in Section 04 of this report.

Adjusted audit differences:

1. Unusable reserves

The Council identified a duplicate posting of depreciation historic cost adjustments of £2.65 million to unusable reserves. The draft accounts were amended before the audit commenced

2. Unusable Reserves

We identified an over statement in the Capital adjustments account and Revaluation Reserve of £1.13 million due to incorrect calculation of the depreciation historic cost adjustment relating to the Bury St Edmunds Athletic Track.

3. Debtors

We identified an audit difference where £2.3 million of debtors with Barley Homes Ltd have been incorrectly classified as long term. These debtors should be classified as short term debtors.

Solar Farm Valuation

We found that the valuation of the Council's Solar farm was understated by £4.99 million as a number of key assumptions had not been correctly updated for at the balance sheet date of 31 March 2022.

5. Mildenhall Hub valuation

Our work on the valuation of the Mildenhall Hub identified that the valuation in the draft financial statements did not include a valuation for the 3G sports pitch located on the site. The 3G pitch was subsequently valued by the Council's experts at £0.96 million.

6. Pension liability IAS19

The pension liability and related disclosures in the draft statement of accounts were based on an IAS19 report which included estimates for level 3 investments and on the March 2019 triannual valuation. The Council obtained an updated IAS19 report in March 2023 following release of the actual year end valuation of level 3 investments and the March 2022 triannual valuation. This has resulted in an increase in the net pension liability reported in the draft Statement of Accounts of £4.28 million.

Unadjusted audit differences:

We have not identified any unadjusted misstatements from the work.

Disclosure adjustments:

We identified a number of disclosure adjustments that management will amend in the final version of the statement of accounts.



Executive Summary

Control observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

During the audit, we did not identify any significant deficiencies in internal control. We have however identified observations and improvement recommendations concerning Management's financial processes and controls. We have identified that a number of the leases relating to the Mildenhall Hub asset with 3rd parties were unsigned at the 31 March 2022 and remain unsigned as at the date of this report. Further details of this observation can also be found in Section 06 of this report.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work to date.

We have completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. The Council falls below the threshold (threshold - £2 billion) for full procedures, so we will be able to submit an assurance statement verifying this position. We do not expect therefore to have any issues to report.

Objection

We have not received any objections to the 2021/22 accounts from members of the public.

Independence

We have no matters relating to our Independence to bring to your attention. Please refer to Section 07 for our update on Independence.



02 Areas of Audit Focus

Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Fraud Risk:

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What did we do?

In response to this risk, we:

- Identified fraud risks during the planning stages, which reflect the significant fraud risk recognised in this report (the risk of inappropriate capitalisation of expenditure).
- ▶ Inquired of management about risks of fraud and the controls put in place to address those risks.
 - ▶ Understood the oversight given by those charged with governance of management's processes over fraud.
 - ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
 - ▶ Determined an appropriate strategy to address those identified risks of fraud which is reflected in the significant risks documented on this file.
 - ▶ Performed mandatory procedures regardless of specifically identified fraud risks, including:
 - ▶ Testing journal entries at year-end to ensure there are no unexpected or unusual postings.
 - ▶ Undertaking a detailed review of accounting estimates for evidence of bias (such as the valuation of land and buildings and pension liability balances); and
 - ▶ substantively any tested unusual or unexpected transactions.

What are our conclusions?

As reported in our Provisional Audit Plan, our work to identify fraud risks during the planning stages identified those areas of the accounts that involve management estimates and judgements as the key areas at risk of manipulation. The identified area was the inappropriate classification of revenue spend as capital expenditure. The result of our work on this specific risk is set out on the following page.

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

Our testing of journals is completed and we have not identified adjustments outside of the normal course of business. All journals tested have appropriate rationale.

We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

Our response to significant risks (continued)

Fraud Risk:

Inappropriate capitalisation of revenue expenditure

What is the risk?

We have considered the key areas where management has material opportunity and incentive to override controls. We have identified the main areas as being;

- Inappropriate classification of revenue spend as capital expenditure.

This would improve the financial position of the general fund as capitalised revenue expenditure can be funded through borrowing with only minimal charges recorded in the general fund, deferring the expenditure for a number of years until the borrowing is repaid.

What did we do?

In response to this risk, we undertook the following procedures:

- Page 27
- For significant capital additions, we examined invoices, capital expenditure authorisations, leases and other data that support these additions. We reviewed the sample selected against the definition of capital expenditure in IAS 16.
- We extended our testing of items capitalised in the year by lowering our testing threshold. We also reviewed a larger random sample of capital additions below our testing threshold.
 - We used our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.

What are our conclusions?

We have not identified any additions that were capitalised which did not meet the statutory definition of capital.

Our testing of year end journals did not identify any movements from expenditure to capital outside of the normal course of business.

Our response to significant risks (continued)

Significant Risk:

Valuation of the Council's solar farm asset

What is the risk?

The fair value of the Solar Farm represent significant balances in the Council's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. At 31 March 2022, the value of the solar farm totalled £14.98 million.

The current volatility in the energy market which is resulting in significantly higher energy costs will have an impact on the power price forecasting this being one of the key judgements used in the valuation of the solar farm. The impact of this judgement will potentially be material and it is therefore important that the most appropriate and relevant power price forecast is used in the solar farms valuation.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

In response to this risk, we:

- ▶ Reviewed the information provided to the Council's Valuer as Management Expert (Cornwall Insight);
- ▶ Undertook procedures to ensure that we can rely on the Valuer as management's expert;
- ▶ Employed our internal valuation specialist as our expert to review the assumptions and conclusions of Cornwall Insight and the Council in relation to the valuation of the solar farm at the balance sheet date; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to Solar Farm asset.

What are our conclusions?

From our review of the solar farm valuation, our internal valuation specialist identified that a number of assumptions within the valuation model did not correctly reflect the position as at the balance sheet date of 31 March 2022:

- a. Power price forecast. The power price forecast from Managements expert, Cornwall Insight, was as at the 31 December 2021 (Q4 2021) rather than at the balance sheet date of 31 March 2022. The first quarter of 2022 saw significant changes in the cost of power due to global impacts such as the Russian/Ukraine conflict which resulted in the cost of power increasing significantly in this quarter.
- b. RPI. The Council's valuation model has RPI set at 2.75% due to changes in the global markets RPI for 2022, 2023 and 2024 was significantly higher at 7.84, 11.88 and 4.66 respectively.
- c. Corporate tax rate. The Council's valuation model included a corporate tax rate of 19%. Based on corporate tax announcements made in the Spring 2021 budget, the tax rate moved to 25%.

Management provided an updated solar farm valuation amending for these findings which resulted in an updated valuation of £19.9 million which fell within a reasonable valuation range as determined by or internal experts of £19.3 million to £21.3 million. Further details of this adjustment can be found in Section 4 of this report.

Our response to significant risks (continued)

Significant Risk:

Valuation of the Mildenhall Hub

What is the risk?

The valuation of land and buildings represent significant balances in the Councils accounts and are subject to valuation changes, impairment reviews and depreciation charges.

During the 2021/22 financial year the Council's Mildenhall Hub asset became operational. This asset is material to the Council with a 31 March 22 valuation of £25.42 million held in the Council's balance sheet. The valuation of this asset is complex due to the different valuation methodologies employed on different parts of the asset (existing use value and depreciated replacement cost) and that ownership of part of the asset has been transferred to other bodies. Ensuring that the correct elements of the asset owned by the Council is valued under the correct methodology and that the underlying information used to value the different elements is correct increases the risk of material misstatement.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

In response to this risk, we:

- ▶ Reviewed the information provided to the Council's Valuer as Management Expert (Wilkes Head and Eve);
- ▶ Undertook procedures to ensure that we can rely on the Valuer as management's expert;
- ▶ Employed our internal valuation specialist as our expert to review the assumptions and conclusions of Wilkes Head and Eve and the Council in relation to the valuation of the Mildenhall Hub at the balance sheet date; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to the Mildenhall Hub.

What are our conclusions?

From review of the Mildenhall Hub valuation, our internal valuation specialist identified that a number of the assumptions applied were not supportable:

- a. The Mildenhall Hub asset includes a 3G sports pitch which had not been included in managements valuation. Management subsequently provided a valuation for the pitch resulting in an increase in the assets value of £0.96 million. Further details of this adjustment can be found in Section 4 of this report.
- b. Land values applied to the assets valuation were found to be higher than expected based on other comparative land sales.
- c. The reversionary yield applied to the valuation were found to be higher than expected based on market research and particulars of the various leases on elements of the asset.
- d. Voids and hold overs had not been allowed for in the valuation which is typically included in a valuation of this type.
- e. Purchaser costs had not been deducted for which is standard market practice for existing use valuations.

Whilst these individual assumptions were not in line with our internal valuers expectations, overall the valuation of the Mildenhall Hub at £25.42 million fell within a reasonable valuation range as determined by or internal experts of £22.41 million to £27.31 million.

Our work identified that a number of leases remain un-signed in July 2023. We note that for some of these signed Tenancy at Will's are in place. Further details of this observation can also be found in Section 6 of this report.

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What did we do and what is our conclusion?
<p>Infrastructure Assets</p> <p>In March 2022, an issue was raised with the National Audit Office's Local Government technical network in relation to the accounting for infrastructure assets. Under the CIPFA Code of Local Authority Accounting, these assets are held at depreciated historic cost. It has been identified that whilst local authorities add expenditure incurred on replacing or enhancing such assets, most do not appear to be reviewing the Code requirement to establish whether this spend is a replacement of an asset, or a recognised component, and therefore, are not derecognising the old component. As a consequence gross cost/gross accumulated depreciation are therefore continually increasing, and the balance sheet may be misstated where the expenditure is a replacement for an asset/component not fully depreciated.</p> <p>West Suffolk Council has material infrastructure assets of £4.36 million held on its balance sheet at 31 March 2022. Therefore the impact on the Council is potentially material.</p> <p>CIPFA are considering a potential Code amendment, but it is not yet clear when this will be issued. We will need to assess whether the Council's accounting treatment of infrastructure assets complies with current Code requirements any updated guidance or Code amendments issued by CIPFA, depending on the timing of this. This issue may therefore lead to significant additional work being required to determine the impact on the Council's accounts.</p>	<p>This matter was considered by CIPFA and the Department for Levelling Up, Housing and Communities (DLUHC). Following this review:</p> <ul style="list-style-type: none">▶ CIPFA issued an adaptation to the Code of Practice on Local Authority Accounting to allow reporting on a net basis for infrastructure assets; and▶ DLUHC issued a Statutory Instrument (The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022). The SI relates to a financial year beginning on or before 1st April 2024 and in respect of which a certificate has not been entered under section 20(2)(a) of that Act. The SI allows for the infrastructure assets opening balance to be brought forward without amendment and determines the carrying amount to be derecognised in respect of replaced components to be nil. <p>We:</p> <ul style="list-style-type: none">▶ Reviewed the Councils assessment of the issue and the impact on the Council for the current year and prior years;▶ Tested the Council's impact assessment which included estimates concerning the level of capital spend and level of replaced assets; and▶ Reviewed any additional disclosures to ensure that these adequately reflect the impact on the financial statements. <p>We did not identify any instances where Infrastructure Assets had been incorrectly accounted for by the Council.</p>

Audit risks

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?

Property, Plant and Equipment - Valuation of Land and Buildings

The valuation of land and buildings represent significant balances in the Councils accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

CSAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do and what is our conclusion?

In response to this risk, we:

- ▶ Considered the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Performed testing of key assumptions and methodologies on a sample of assets and considered the reasonableness of the estimation techniques employed;
- ▶ Sample tested key asset information used by the valuer in performing their valuation, and agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Considered changes to useful economic lives as a result of the most recent valuation;
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- ▶ Reviewed assets not subject to valuation in 2021/22 to confirm that the remaining asset base is not materially misstated;
- ▶ Tested accounting entries have been correctly processed in the financial statements; and
- ▶ Reviewed the disclosures to ensure this is adequate in relation to estimation uncertainty.

Our conclusions are:

- ▶ We did not identify any issues from our review of the work performed by the valuer over the Council's assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- ▶ Our sample testing of key assumptions and methodologies did not identify any material issues concerning the reasonableness of the estimation techniques employed.
- ▶ We did not identify any specific changes to assets that had occurred that required communication to the valuer.
- ▶ We did not identify any issues in relation to the useful economic lives as a result of the most recent valuation.
- ▶ All assets had been appropriately revalued within the Council's 5 year rolling programme.
- ▶ Testing of accounting entries confirmed they had been correctly processed in the financial statements.

Other areas of audit focus (continued)

What is the risk/area of focus?

Pensions liability - IAS19

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.

At 31 March 2022, this totalled £58.9 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.

Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do and what is our conclusion?

In response to this risk, we:

- ▶ Liaised with the auditors of Suffolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to West Suffolk Council;
- ▶ Assessed the conclusions drawn on the work of the actuary by the Consulting Actuary, PwC, commissioned by the National Audit Office for all local government sector auditors, and considered the review of this undertaken by the EY actuarial team;
- ▶ Used our internal EY pensions team to calculate an estimate of the Council's pension liability by running their own 'actuarial model' and comparing this to that produced by the Council's actuary; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

Our conclusions are:

- ▶ We have received the assurance from the Suffolk Pension Fund auditors in regard to the information supplied to the actuary, and confirmed there are no findings impacting on the Council's accounts. The Pension Fund auditor reported a difference in asset values between the original estimate included in the IAS19 report and the actual year end values. As the Council obtained an updated IAS19 report and amended the accounts to reflect the updated asset values no further audit procedures or adjustments to the Statement of Accounts are required.
- ▶ We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and have followed up on relevant points and have not identified any issues.
- ▶ Our procedures to determine our own estimate for the Council's pension liability found that the liability calculated by the actuary fell within our reasonable range.
- ▶ We have agreed the Council's IAS 19 disclosures to the actuaries' report and ensured these are fairly stated in the accounts.

The pension liability and related disclosures in the draft statement of accounts were based on an IAS19 report which included estimates for level 3 investments and was based on a roll forward approach from the triennial valuation 2019. The Council obtained an updated IAS19 report in March 2023 following release of the actual year end valuation of level 3 investments and the March 2022 triennial valuation. This has resulted in an amendment to the draft Statement of Accounts increasing the pension liability by £4.28 million. Further details can be found in Section 04 of this report.

Other areas of audit focus (continued)

What is the risk/area of focus?

Group Account consolidation

This is the second year of preparing group accounts, consolidating Barley Home Ltd. As at the time of writing this report management have not yet employed an auditor of Barley Homes Ltd which includes a number of material balance for the group in 2021/22. There is therefore the risk that the balances consolidated into the group accounts maybe materially misstated.

What did we do and what is our conclusion?

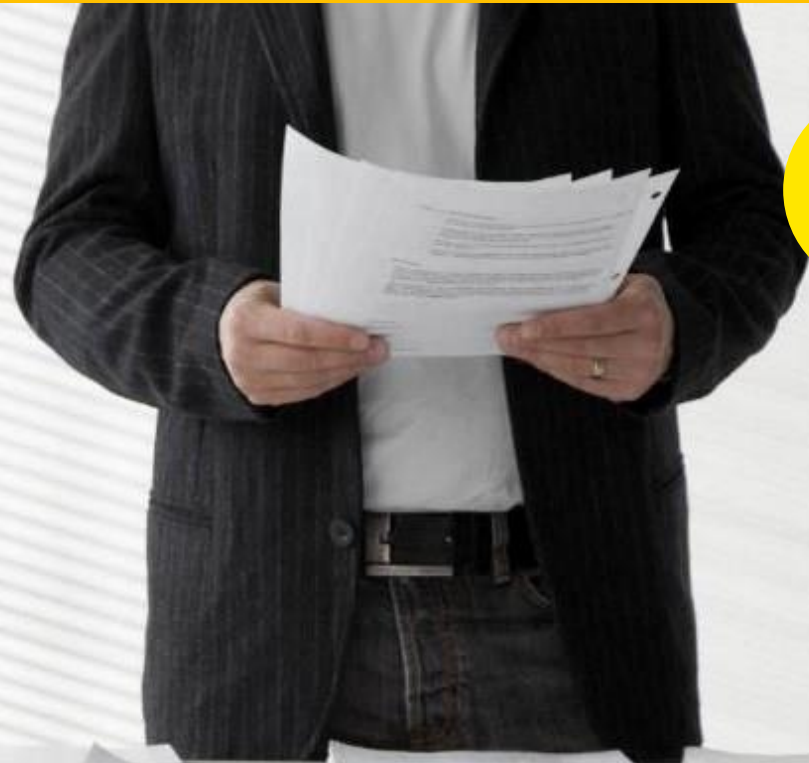
In response to this risk, we:

- ▶ Review the group assessment prepared by the Council, ensuring that the accounting framework and accounting policies are aligned to the Council group;
- ▶ Scope the audit requirements for each component based on their significance to the group accounts;
- ▶ Test the consolidation procedures applied; and Check compliance with the Code of Audit Practice in respect of the group accounts and associated disclosures;
- ▶ Prepare group instructions for the auditor of Barely Homes Ltd; and
- ▶ Review work undertaken by the auditor of Barely Homes Ltd and determine whether we can place reliance on this work to obtain assurances over the balances consolidated into the group accounts.

Our conclusions are:

We did not identify any misstatements regarding the consolidation of Barley Homes Ltd.

We did encounter some delays in obtaining the required assurances and reporting from the component auditor as Management had not fully scoped the need for group reporting to us within the subsidiary auditor's terms of engagement.



03 Audit Report

DRAFT



Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST SUFFOLK COUNCIL

Opinion

We have audited the financial statements of West Suffolk Council (the Authority) and its subsidiaries (the Group) for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the Authority and Group Comprehensive Income and Expenditure Statement; Authority and Group Balance Sheet; Authority and Group Movement in Reserves Statement, Authority and Group Cash Flow Statement; the related notes 1 to 39 to the Authority Accounts and the related notes G1 to G3 to the Group Accounts; Collection Fund and the related notes CF1 to CF3.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- ▶ give a true and fair view of the financial position of West Suffolk Council and the Group as at 31 March 2022 and of its expenditure and income for the year then ended; and
- ▶ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the

Authority and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer (S151 Officer)' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority and Group's ability to continue as a going concern for a period of more than 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer (S151 Officer) with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority and Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts for the Year 2021/22, other than the financial statements and our auditor's report thereon. The Chief Financial Officer (S151 Officer) is responsible for the other information contained within the Statement of Accounts for the Year 2021/22.



Our opinion on the financial statements

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Authority
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)

- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we are not satisfied that the Group and the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer (S151 Officer)

As explained more fully in the Statement of the Chief Financial Officer (S151 Officer) Responsibilities set out on page xx, the Chief Financial Officer (S151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the Group/Authority financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer (S151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer (S151 Officer) is responsible for assessing the Authority and Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority and Group either intends to cease operations, or has no realistic alternative but to do so.

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



Our opinion on the financial statements

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Authority and determined that the most significant are:

- ▶ Local Government Act 1972,
- ▶ Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992),
- ▶ Education Act 2002 and School Standards and Framework Act 1998 (England),

- ▶ Local Government Act 2003,
- ▶ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- ▶ National Health Service Act 2006,
- ▶ Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (SI 2010/948),
- ▶ Business Rate Supplements Act 2009,
- ▶ The Local Government Finance Act 2012,
- ▶ The Local Audit and Accountability Act 2014 (as amended), and
- ▶ The Accounts and Audit Regulations 2015.
- ▶ Companies Act 2006 (Amended),
- ▶ The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008-410) (as amended)

In addition, the Group and the Authority have to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment legislation, tax legislation, general power of competence, procurement and health & safety.

We understood how West Suffolk Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, the head of internal audit and those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Group and the Authority's committee minutes, through enquiry of employees to confirm the Group and Authority policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.



Our opinion on the financial statements

We assessed the susceptibility of the Group and the Authority's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified a risk of inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk around management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Authority's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure has been incurred.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether West Suffolk Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether West Suffolk Council put in place proper arrangements for

securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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

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

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the NAO as group auditor has confirmed that no further assurances will be required from us as component auditors of West Suffolk Council. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

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



Our opinion on the financial statements

Use of our report

This report is made solely to the members of West Suffolk Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Authority and the Group and Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



04 Audit Differences





Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation. Until our audit work is complete, further differences may arise.

Summary of Adjusted Audit Differences

We highlight the following misstatement which we expect management to correct for that were identified during the course of our audit:

1. Unusable reserves

The Council identified a duplicate posting of depreciation historic cost adjustments of £2.65 million to unusable reserves. The draft accounts were amended before the audit commenced. To correct for this audit adjustment the Council has posted the following adjustment to the draft financial statements:

Dr Useable Reserves - Revaluation Reserve £2,65 million

Cr Useable Reserves - Capital Adjustments account £2,65 million

2. Unusable Reserves

We identified an over statement in the Capital adjustments account and Revaluation Reserve of £1.13 million due to incorrect calculation of the depreciation historic cost adjustment relating to the Bury St Edmunds Athletic Track. These overstatements net to nil and as such there is no overall impact on the Council's total unusable reserves.

Dr Useable Reserves - Revaluation Reserve £1.32 million

Cr Useable Reserves - Capital Adjustments account £1.32 million

3. Debtors

We identified an audit difference where £2.3 million of debtors with Barley Homes Ltd have been incorrectly classified as long term. These debtors should be classified as short term debtors. This classification misstatement nets to nil, and as such there is no overall impact on the Council's usable reserves.

Dr Balance Sheet - Short term debtors £2.30 million

Cr Balance Sheet - Long term debtors £2.30 million

4. Solar Farm Valuation

We found that the valuation of the Council's Solar farm was understated by £4.99 million as a number of key assumptions had not been correctly updated for at the balance sheet date of 31 March 2022. The most significant of these assumptions was the power price forecast on which the valuation is based. The solar farm valuation included within the draft financial statements was based on a power price forecast dated 31 December 2021. Due to the impact of the Russian/Ukraine conflict and other global economic factors markets showed a significant fluctuation in the price of energy and as such there were significant increase in the power price forecast when re-run at 31 March 2022. To correct for this audit adjustment the Council has posted the following adjustment to the draft financial statements:

Dr Balance Sheet - Property Plant and Equipment £4.99 million

Cr Comprehensive Income Statement - Surplus/Deficit on revaluation of property plant and equipment £4.99 million



Audit Differences (continued)

Summary of Adjusted Audit Differences

5. Mildenhall Hub valuation

Our work on the valuation of the Mildenhall Hub identified that the valuation in the draft financial statements did not include a valuation for the 3G sports pitch located on the site. The 3G pitch was subsequently valued by the Council's experts at £0.96 million. To correct for this audit adjustment the Council has posted the following adjustment to the draft financial statements:

- ▶ Debit: Balance Sheet - Property Plant and Equipment - £0.96 million
- ▶ Credit: Comprehensive Income Statement - Surplus/Deficit on revaluation of property plant and equipment - £0.96 million

6. Pension liability IAS19

The pension liability and related disclosures in the draft statement of accounts were based on an IAS19 report which included estimates for level 3 investments and on the March 2019 triannual valuation. The Council obtained an updated IAS19 report in March 2023 following release of the actual year end valuation of level 3 investments and the March 2022 triannual valuation. This has resulted in an increase in the net pension liability reported in the draft Statement of Accounts of £4.28 million. To correct for this audit adjustment the Council has posted the following adjustment to the draft financial statements:

- ▶ Debit: Comprehensive Income Statement - Remeasurement of net defined benefit liability - £4.28 million
- ▶ Credit: Balance Sheet - Liability related to defined benefit pension scheme - £4.28 million

In addition to the above, we identified a small number of disclosure adjustments that Management will amend in the final version of the statement of accounts, including material adjustments made to Note 18 - Financial instruments. There are no other disclosure adjustments which require bringing to the Committee's attention.

Summary of Unadjusted Audit Differences

We have not identified any unadjusted audit differences in the draft financial statements.



05

Value for Money



Value for money

The Council's responsibilities for value for money (VFM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

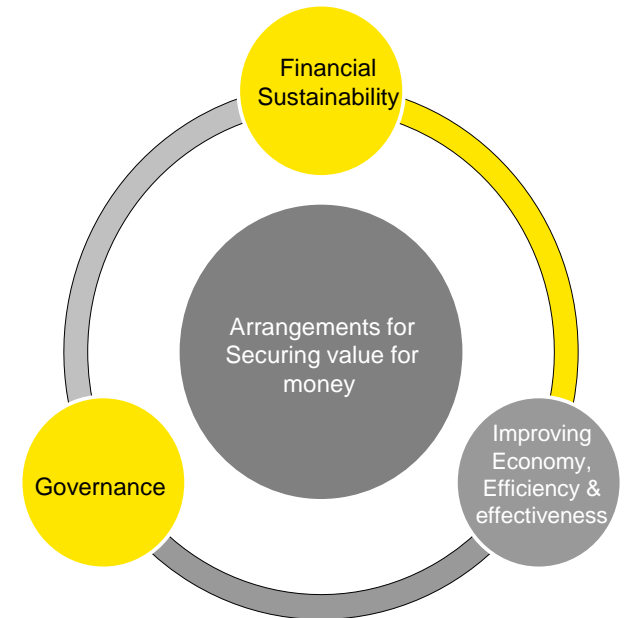
We have completed our planning and risk assessment procedures including discussions with management and review of key minutes and documents and have not identified any significant weaknesses in the Council's arrangements.

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Status of our VFM work

We have completed our planned VFM procedures and have no matters to report 'by exception'.

We will include our detailed VFM commentary in the Auditor's Annual Report by the end of September 2023.





06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2021/22 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

We have reviewed the Annual Governance Statements and confirm they are consistent with other information from our audit of the financial statements.

We have no other matters to report.

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Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

As the Council falls below the £2 billion threshold for review as per the NAO's group instructions, we are not required to undertake detailed procedures on your consolidation schedule. We are able to submit the require Assurance Statement to the NAO confirming this.

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Council's financial reporting process. They include the following:

- Page 47
- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
 - Any significant difficulties encountered during the audit;
 - Any significant matters arising from the audit that were discussed with management;
 - Written representations we have requested;
 - Expected modifications to the audit report;
 - Any other matters significant to overseeing the financial reporting process;
 - Findings and issues around the opening balance on initial audits (if applicable);
 - Related parties;
 - External confirmations;
 - Going concern;
 - Consideration of laws and regulations; and
 - Group audits.

We have no matters to report.

Control Observations

Description

As part of our audit testing of the Mildenhall Hub asset, we have identified that a number of the leases with 3rd parties were unsigned at the 31 March 2022 and remained unsigned in July 2023. Based on our testing of the 10 leases that form part of the Mildenhall Hub asset, 8 remained unsigned at the 31 March 2022 and in July 2023. Of these 8 unsigned leases the Council does have signed Tenancy at Will agreements for 5 of the bodies, leaving 3 with no legal agreement for the 3rd parties to occupy space within the Mildenhall Hub.

Recommendation

We recommend that going forward, the Council obtains signed lease contracts at the inception of the lease, and obtains signed leases with those 3rd party bodies that remain outstanding at the time of this report.

Management respond:

There is an active project to overseeing the outstanding Mildenhall hub leases with the Director of Resources and Property taking over as the lead for the project, reporting monthly into leadership team.

5 of the leases are at the final stages of drafting between lawyers and are expected to be completed within the coming weeks/months.

This was a multi-agency project for which the Council agreed to take on the landlord role, even though it was not the sole partner/funder. This is relevant as the 3 partners without the 'legal agreements' are funding partners, they have paid capital contributions towards the project and were part of the developer agreement with the Council - so the risk is considered to be low from the Council's perspective (service charges for example have been paid).



Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1st April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the feed due for the year ended 31 March 2022 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are shown below.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services have been submitted. We confirm that we have not undertaken any non-audit work, other than Housing Benefit Certification assurance work.

EY Transparency Report 2021

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2022:

[EY UK 2022 Transparency Report | EY UK](#)

Relationships, services and related threats and safeguards

Services provided by Ernst & Young

Description	Planned Fee 2021/22 £	Scale Fee 2021/22 £	Final Fee 2020/21 £
PSAA Scale Fee	55,050	55,050	50,050
Changes in work required to address additional professional and regulatory requirements and changes in scope associated with risk (Note 1)	TBC	TBC	47,734
Total Fees	TBC	TBC	97,784

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fees exclude VAT

Note 1:

The 2020/21 Code work included a proposed additional fee of £44,299. This relates to proposed uplifts to the base scale fee due to increased regulatory requirements, as communicated during our 2019/20 audit, as well as additional work in respect of risks identified and outlined in the 2020/21 Audit Plan and Audit Results Report, new NAO Code of Audit Practice and ISA requirements including VFM and accounting estimates. PSAA Ltd have determined, with agreement from the Council, a final additional fee for 2020/21 of £18,600.

For 2021/22, the scale fee will again be impacted by the increased regulatory requirements as well as a range of other factors which will result in additional work, including some of those that were present in the prior year.

As detailed in this Audit Plan, the following areas will require additional procedures to respond to the risks identified which are not part of the PSAA scale fee:

- Significant risk: Valuation of the Solar Farms and Mildenhall Hub
- Inherent risks: Property, Plant and Equipment – Valuation of Land and Buildings
- Inherent risk: Pensions liability – IAS19
- Inherent risk: Infrastructure assets
- Inherent risk: Group Accounts Consolidation



08 Appendices

Audit approach update

We summarise below our approach to the audit of the balance sheet and any changes to this approach from the prior year audit.

Our audit procedures are designed to be responsive to our assessed risk of material misstatement at the relevant assertion level. Assertions relevant to the balance sheet include:





- ▶ Existence: An asset, liability and equity interest exists at a given date
- ▶ Rights and Obligations: An asset, liability and equity interest pertains to the entity at a given date
- ▶ Completeness: There are no unrecorded assets, liabilities, and equity interests, transactions or events, or undisclosed items
- ▶ Valuation: An asset, liability and equity interest is recorded at an appropriate amount and any resulting valuation or allocation adjustments are appropriately recorded
- ▶ Presentation and Disclosure: Assets, liabilities and equity interests are appropriately aggregated or disaggregated, and classified, described and disclosed in accordance with the applicable financial reporting framework. Disclosures are relevant and understandable in the context of the applicable financial reporting framework

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There were no significant changes to our audit approach apart from our decision to distinguish between the different land and building valuation methods when identifying our significant and inherent risks in this area. We also deemed it appropriate to remove our risk around the accounting treatment of Covid-19 grants in the current year.

Appendix B

Required communications with the Performance and Audit Scrutiny Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies	
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Provisional Audit Plan - August 2022	
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Provisional Audit Plan - August 2022	
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Progress Report - March 2023 Audit Results Report - July 2023 Annual Auditors Report - September 2023	

Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty related to going concern ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The appropriateness of related disclosures in the financial statements 	Audit Results Report - July 2023
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	<p>Audit Progress Report - March 2023</p> <p>Audit Results Report - July 2023</p>
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit Results Report - July 2023
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to Audit, Standards and Statutory Accounts Committee responsibility. 	Audit Results Report - July 2023

Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - July 2023
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Provisional Audit Plan - August 2022</p> <p>Audit Results Report - July 2023</p> <p>Annual Auditors Report - September 2023</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit Results Report - July 2023
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report - July 2023




Appendix B

		Our Reporting to you
Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit. 	Audit Results Report - July 2023 Annual Auditors Report - September 2023
Group Audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Provisional Audit Plan - August 2022 Audit Results Report - July 2023
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Audit Results Report - July 2023
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report - July 2023
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - July 2023

Appendix C

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Going concern	Update going concern review and assessment for anticipated opinion date	EY
Closing procedures: <ul style="list-style-type: none"> ▶ Subsequent events review; ▶ Agreement of the final set of financial statements; ▶ Receipt of signed management representation letter; and ▶ Final Manager and Partner reviews. 	Closing procedures to be performed upon completion of audit work and receipt of final version of the Statement of Accounts	EY

Management representation letter - draft

This is the draft letter of management representation. This could be subject to change following the completion of the final audit procedures

Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young

[Address]

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This letter of representations is provided in connection with your audit of the consolidated and Council financial statements of West Suffolk Council ("the Group and Council") for the year ended 31 March 2022. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and Council financial statements give a true and fair view of the Group and Council financial position of West Suffolk Council as of 31 March 2022 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and Council CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

We understand that the purpose of your audit of our consolidated and Council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related

data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and Council the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
2. We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and Council financial statements. We believe the consolidated and Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and are free of material misstatements, including omissions. We have approved the consolidated and Council financial statements.
3. The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.
4. As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom

Management representation letter

Management Rep Letter

2021/22 for the Group and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 for the Council that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic and the effects of the conflicts and related sanctions in Ukraine, Russia and/or Belarus on our system of internal controls.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

6. We confirm the Group and Council does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.

4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the Group or Council (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:

- ▶ involving financial statements;
- ▶ related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Council's financial statements;
- ▶ related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties;
- ▶ involving management, or employees who have significant roles in internal controls, or others; or
- ▶ in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

Management representation letter

Management Rep Letter

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- ▶ Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- ▶ Additional information that you have requested from us for the purpose of the audit; and
- ▶ Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and Council financial statements, including those related to the COVID-19 pandemic and including those related to the conflict and related sanctions in Ukraine, Russia and/or Belarus.

3. We have made available to you all minutes of the meetings of the Group and Council committees including the Council, Executive, Strategic Overview & Scrutiny and Performance and Audit Scrutiny Committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: [list date].

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and Council financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that

is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

6. We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and Council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter on 18 May 2022 through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact on the Group and Council financial statements, in each case or in the aggregate, and ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and Council financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 43 to the consolidated and Council financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note 1 to the consolidated and Council financial statements discloses all the matters of which we are aware that are relevant to the Group and Council's ability to continue as a going concern, including significant conditions and events, our

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plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than..... described in Note 6 to the consolidated and Council financial statements, there have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to year end which require adjustment of or disclosure in the consolidated and Council financial statements or notes thereto.

G. Group audits

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the Council, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Accounts for the year 2021/22.
2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Ownership of Assets

1. Except for assets recognised as right-of-use assets in accordance with IFRS 16 Leases, the Group and Council has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Group and Council's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note 19 to the financial statements. All assets to which the Group and Council has satisfactory title appear in the balance sheets.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the consolidated and Council financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

J. Reserves

1. We have properly recorded or disclosed in the consolidated and Council financial statements the useable and unusable reserves.

K. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and Council financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the consolidated and Council financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from

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regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:

(1) Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities) none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the consolidated and Council financial statements or as a basis for recording a loss contingency.

L. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of land and buildings and investment properties, IAS 19 pension liabilities and Non Domestic Rate (NDR) Appeal Provisions and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Council financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Estimates

Valuation of Land and Buildings Estimate

1. We confirm that the significant judgments made in making the valuation of land and buildings, estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings.
3. We confirm that the significant assumptions used in making the valuation of land and buildings estimate appropriately reflect our intent and ability to provide an accurate valuation of the Group.

and Council's land and buildings on behalf of the entity.

4. We confirm that the disclosures made in the consolidated and Council entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of land and buildings and investment properties estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

IAS 19 Pensions Liability Estimate

1. We confirm that the significant judgments made in making the IAS 19 pensions liability estimate have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the IAS 19 pensions liability estimate.
3. We confirm that the significant assumptions used in making the IAS 19 pensions liability estimate appropriately reflect our intent and ability to provide an accurate valuation of the Group and Council's pensions liability on behalf of the entity.
4. We confirm that the disclosures made in the consolidated and Council entity financial statements with respect to the accounting estimates, including those describing estimation uncertainty and the effects of the COVID-19 pandemic, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.
5. We confirm that appropriate specialized skills or expertise has been applied in making the IAS 19 Pensions Liability estimate.



Appendix D

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6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

N. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Financial Officer)

(Chairman of Performance and Audit Scrutiny Committee)

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ED None

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2023 to 2024 Performance report Quarter 1

Report number:	PAS/WS/23/014	
Report to and date(s):	Performance and Audit Scrutiny Committee	27 July 2023
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Tel: 01284 706542 Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director (Resources and Property) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is not required to be included in the Decisions Plan

Wards impacted: All Wards

Recommendation: It is recommended that the Performance and Audit Scrutiny Committee:

- 1. Notes the forecast 2023 to 2024 revenue and capital positions as detailed in the report and appendices, and forwards any relevant issues or comments to Cabinet for consideration.**

1. Context to this report

- 1.1 The council's performance management framework seeks to give councillors, officers, partners, stakeholders and residents greater understanding of progress towards achieving the council's strategic priorities set out in the [West Suffolk Council Strategic Framework 2020-2024](#) . In addition, it also gives an insight into the delivery of the broad range of day-to-day services to the residents and businesses of West Suffolk. Effective use of performance management information can support service improvement and seize opportunities as well as enable choices to be made about the use of resources.
- 1.2 This paper is part of that process. Financial performance information (monitoring against the approved budget with appropriate comment on any change) and key performance indicators sit alongside other elements of the council's performance framework that can be viewed on the [performance webpage](#).
- 1.3 The purpose of the performance management framework is to ensure that performance information supplied to the Performance and Audit Scrutiny Committee, Cabinet and Leadership Team clearly shows:
- progress towards strategic goals
 - insight on initiatives that will ensure future progress
 - areas that require decisions and actions to keep on track to their goals
 - items with a significant level of risk associated with them
 - flexibility in approach allowing the escalation of performance successes and challenges
 - the relationship between performance indicators and financial delivery.

The performance management framework naturally develops and evolves over time to reflect the challenges and aims the council is facing and metrics can be changed or added to reflect this.

- 1.4 This report includes a forecast year-end 2023 to 2024 financial position for West Suffolk Council, based on the information available in the first quarter of the financial year. The budget against which the forecast variances are measured against was set in February 2023. Where appropriate, this budget process sought to address the significant variances arising during the year, in particular the ongoing challenges around income recovery and the impacts of inflation. However, this is a forecast and with the international issues faced by the public and private sector that are affecting budgets these numbers are likely to change through the year. The report for the previous year can be found here: [Q4 Performance Report - 2022 to 2023](#)
- 1.5 When producing the forecasts for the first quarter, officers have given consideration to those areas that were challenging in the previous year's outturn position, and in particular those that resulted in changes to the

2023 to 2024 budget. These, and any new areas of significant variance that may arise during the course of the year, will be closely reviewed and where appropriate taken into account when setting the 2024 to 2025 budget. The current year's budget that the forecasts will be monitored against can be found here: [Medium Term Financial Plan](#)

- 1.6 As set out later in this report the forecast year-end outturn position as at quarter one shows a forecast **deficit of £0.4 million (which is just over 1% of total income excluding housing benefits)**. This is made up of a number of variances to budget, including the national and international financial challenges which both the public and private sector are facing - further detailed in **Appendix B**. This is a forecast position taking into account the first quarters actual performance and intel and information available at this point in the year. This forecast is part of our prudent financial management and will continue to be reviewed during the course of the year and is therefore liable to change. Steps are already being taken to look to mitigate, where possible, forecast cost variances to budgets to enable the budget to be delivered on target by the end of the financial year. This is normal procedure for councils which include reserves (as set out later in the report) to deal with fluctuations such as this.

Income recovery

- 1.7 Council Tax only covers around a 20 per cent of the cost of delivery services by West Suffolk Council. As such, Government requires councils to raise income to deliver services. Over 70 per cent of West Suffolk Council's budget is funded locally – council tax and local fees and charges. Income generation for public services across the UK have been severely impacted over the last few years from the pandemic including local and national lockdowns, the recovery thereafter and in addition, the cost-of-living crisis, which the Ukraine War has exacerbated, as well as increased inflation is not only impacting our communities and businesses but also adversely putting pressure on the council's budgets too.
- 1.8 West Suffolk Council is not alone in continuing to face these issues, although there are good signs of recovery by services and areas – some stronger than others. The data collected during the year 2022 to 2023 helped inform a revised income budget level for a number of council income streams in the 2023 to 2024 budget. The early indications in the first quarter's forecast are that these income streams are broadly in line with budget expectations, further details are available in **Appendix B**.
- 1.9 Performance of the council's income streams will form part of in-year monitoring and will help inform our ongoing budget setting processes as we continue to understand if these behavioural changes are likely to become more permanent. The council is also looking at other similar services and authorities across the United Kingdom.

Impact of inflation and wider economic conditions

- 1.10 In addition to the ongoing effects of income recovery, other global economic pressures continue to have a major impact on the council's finances. Significant increases in energy prices, coupled with the inflationary impact on commodities from the war in Ukraine, are all contributing towards the council's budgetary pressures, both in the current year 2023 to 2024 and across the medium term. A number of these had already been taken into account for the 2023 to 2024 budget and are being monitored closely.
- 1.11 These wider economic pressures can be seen in the first quarter's forecast year-end position for 2023 to 2024, particularly in the overspends on utilities and supplies and services. These pressures are now not expected to improve in the short term and will be continually reviewed as part of the 2023 to 2024 budget monitoring as the year progresses and reported to this committee.
- 1.12 Global economic pressures have, however, had some positive impacts on the budget. Rising interest rates have resulted in increased investment income, and the fall in fuel prices has led to forecast savings against the assumed unit rate used when setting the current year budget. See also **Appendix B**.
- 1.13 In addition, higher utility costs mean renewable measures that the council has invested in, such as Toggam Solar Farm, solar panels on buildings and battery charges brings in valuable income streams for the council for the delivery of services. In addition, schemes such as solar for business, that the council runs has not only brought in an income for the authority but has helped businesses keep bills down and impact on the environment when they are also facing higher utility costs.
- 1.14 The council's approved budget, which was set in February 2023, included a 4 per cent assumption in respect of the local government pay award, which is yet to be agreed. It is estimated that each additional 1 per cent rise above the 4 per cent assumption would impact the budget by around £0.3 million per annum. The council will initially seek to manage the impact of the pay award within the overall employment costs through in-year vacancy management. In addition to this, the budgets also include an assumed £0.8 million transfer to the general fund, part or all of which could be released in order to mitigate any additional impacts of the pay award if required.

2. Quarter 1 Performance

- 2.1 This report shows the quarter one performance and forecast year-end financial position for West Suffolk Council for 2023 to 2024.

2.2 The attached appendices detail the performance as follows:

Appendix A: Key performance indicators (KPI) dashboards. These dashboards are also available in an interactive online format which can be viewed at the link below. They give performance information about a wide range of the council's business areas, grouped by Portfolio Holder.

[Appendix A: KPI Dashboards](#)

Appendix B: Income and expenditure report

This appendix shows the forecast revenue outturn position across the council, analysed across the various categories of income and expenditure.

Appendices C to D: Other Financial performance

These appendices contain the forecast financial outturn positions for the council in respect of capital and earmarked reserves.

Appendix E: Strategic Risk Register

This appendix contains the revised West Suffolk Strategic Risk Register, further details are set out in section 7 of this report.

Exempt Appendix F: Aged debt over 90 days

This appendix contains summary information regarding the current levels and types of outstanding debt over 90 days owed to the council. **This appendix is exempt as it contains details of some individual debtor balances in order to facilitate review by this committee.**

3. Performance summary

- 3.1 Each of the dashboards at Appendix A contains commentary on the council's performance in quarter 1 of 2023 to 2024. These dashboards are also available in an interactive, online format at [Appendix A: KPI Dashboards](#)
- 3.2 At the meeting of this committee there will be further opportunity for discussion and questions around the trends and patterns that this quarter's data is showing.
- 3.3 These dashboards are designed to be interactive, which provides further insight and detail into the data and commentary. Therefore, members may find it more useful to use the interactive online dashboards instead of the PDF version supplied. In particular, the full commentary can be viewed on the online versions, whereas this is not possible through the PDFs.

Fuel use – key performance indicators.

Issue

- 3.4 At the Member training session before the meeting of Performance and Audit Scrutiny Committee (PASC) on 22 June, a question was raised around the **fuel use Key Performance Indicators (KPIs)** (on dashboards 2 and 3 of the Quarter 4 performance report) and whether they could be developed to include the number of vehicles they related to (and therefore 'per vehicle' measures) and the cost of fuel.

Background

- 3.5 At present, the KPI dashboards include four measures in relation to fuel use:
- Amount of petrol used by fleet vehicles
 - Amount of diesel used by fleet vehicles
 - Amount of Ad Blue used by fleet vehicles
 - Amount of red diesel used by grounds maintenance vehicles
- 3.6 The KPIs were originally included in the indicator set as part of a suite of environmental measures, alongside measures for gas and electricity consumption on council sites. The intention is that over time as the council's net zero initiatives are implemented, members and officers can monitor changes in the use of carbon-emitting fuels such as these. For noting, as service demand increases due to housing growth and the future impact of the Resource and Waste Strategy (RAWS) and so on, our fuel use may increase, subject to the adoption of alternative fuel replacements.

Alternative approaches

- 3.7 As currently conceived, the fuel use KPIs are intended as a long-term monitoring measure for environmental purposes.
- 3.8 Other businesses and organisations use fuel-use KPIs to monitor other aspects of their efficiency, for example:
- **vehicle efficiency** (by measuring miles per gallon to monitor when vehicles are becoming less efficient)
 - **collection route efficiency**
 - **fuel cost efficiency**
- 3.9 West Suffolk Council does not currently use KPIs for PASC and the public to monitor these elements, instead uses the following approaches:
- **vehicle efficiency:** this is achieved through planned vehicle maintenance and monitored through workshop spend and vehicle replacement plans. The fuel system software also allows monthly fuel reports to be produced, which support monitoring, but given the diversity

and complexity of the council’s fleet (see section 7), variable waste loading and numerous operational routes (160 variants), these are more appropriate for the service to monitor on a more frequent basis, and averages would mask actual efficiency issues. It is proposed that these indicators continue to be monitored by workshop and operational staff.

- **route efficiency:** for waste, collection routes are designed using RouteSmart (waste collection ‘rounds’ software). A specialist approach is needed to route plan for waste collection, given the statutory requirements for bin collections; the need to observe and follow route restrictions and avoid sensitive locations; the big differences between rural and urban rounds; the need to adapt when new housing estates are built and to reflect changes in traffic volumes and waste generation; and the significance of workforce costs over fuel costs when planning rounds and shifts. Other vehicles and machinery use other methods to plan, for example, grass cutting schedules.
- **fuel cost efficiency:** this is monitored through budget monitoring (where ‘spikes’ in fuel prices, or changes in service demand can be seen month on month) and through annual reviews carried out as part of the fuel purchasing group buying framework offered by the Crown Commercial Service. Publishing monthly or quarterly data about the cost of fuel would be too frequent to support changes in operations, given the limited procurement routes available to councils. This issue is monitored on a longer term basis through medium term financial planning.

Recommended approach

- 3.10 The current monitoring approaches described above would appear to continue to be fit for purpose for PASC and public monitoring of fuel use, given the nature of the council’s operations.
- 3.11 However, the following additional information may help in offering greater transparency over the council’s fleet and fuel use.

Vehicle type	Count
HGVs over 3.5T, RCVs, tippers and road sweepers	50
Vans and vehicles up to and including 3.5T	79
Green spaces and heritage equipment – mowers and tractors	50
Precinct sweepers	9
Depot JCB / telehandlers	2
TOTAL	190

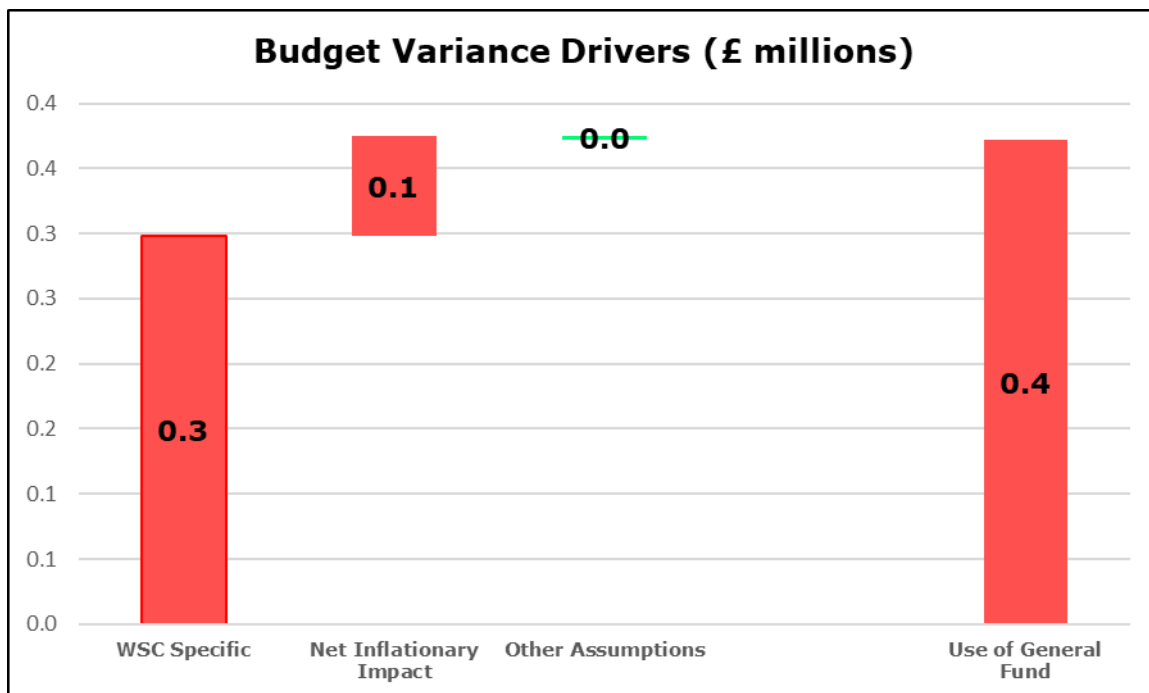
Fuel type (petrol, diesel, electric/hybrid)	Count
Electric	4

Hybrid electric	1
Diesel	178
Petrol	7
TOTAL	190

Please note: 32 of the above vehicles are also permitted to use gas oil or “red diesel”, for example, landscapes equipment, mowers, digger at cemetery.

4. Financial forecast summary

- 4.1 For the national and global impacts and challenges set out earlier in this report the forecast year-end outturn position as at quarter one shows a forecast **deficit of £0.4 million (which is just over 1% of total income (excluding benefits))**, made up of a number of variances to budget, further detailed in Appendix B. As stated earlier this is a forecast on the first quarter and could be liable to change.
- 4.2 On 1 April 2023 the council’s General Fund (its contingency reserve which represents around 25 per cent of the net budget) balance stood at £5 million. This is money put aside by the council as part of its prudent financial planning to help manage unforeseen or unprecedented issues that impact on the authority. This is at the agreed £5 million policy level, and as such will need to be closely monitored in the council’s 2023 to 2024 forecast, and its budget plans going forward.
- 4.3 To mitigate any further unexpected use of the General Fund, officers continue to work on income recovery plans, as well as looking at potential cost saving opportunities and efficiencies while continuing to deliver high quality services and the strategic priorities of the authority.
- 4.4 As laid out in section one reflecting the income recovery trends and inflationary pressures into the budget for the year has meant that variances forecast at this stage are more specific and localised than those reported in the prior financial year.
- 4.5 The trends that are coming through in quarter one that are forecast to have an impact on the full year position include the ongoing vacancy of some of our retail units, increased costs of delivering the local plan, above assumption inflation of utility cost rises in our operational estate and the slow-down in the property market impacting land charge, building control and s106 income. These adverse impacts are partially offset by lower fuel costs and reduced business rate liability (from improved occupancy of our industrial units). The relative impacts leading to the most adverse end of the range of forecast results are shown in the graph below – red representing pressures and green representing positive impacts.



4.6 The quarter one position also assumes a positive variance on interest receipts from investments of the council’s cash balances - deposited mainly with the secure debt management office facility. Alongside this additional interest receipts income, the council is still utilising these internal cash balances to support its capital programme rather than externally borrowing. Further external borrowing is not expected during the year and in line with previous reports the additional interest receipts alongside the saving on interest payable are both being contributed into the capital financing reserve – therefore not showing as a variance within the £0.4m deficit position. This reserve is an equalisation reserve and is expected to be used significantly during the later parts of the medium-term budgets (before the market is due to soften) as we anticipate higher rate borrowing costs to that included in the base budget.

4.7 Whilst the £0.4 million forecast deficit position at this point in time, is based on data and intelligence available after quarter one’s performance, management are looking at options to bring the overall budget back to a balanced position. Members will be kept updated on progress through regular reporting to the committee. In addition, as the final financial outturn for 2022 to 2023 meant that we did not have to use the general fund to the extent expected earlier on in the year, there is £0.8 million of budgeted contribution to the general fund that is currently not required, as the policy level of £5m has already been achieved. This is being held in anticipation of being used to mitigate the impact of the upcoming pay award and any balance will be available to bring the budget back into balance.

Capital programme

4.8 The council is forecasting to spend **£30.2 million** of its total available capital budget of £56.7 million for 2023 to 2024, as a result of project timings, mainly

the timing of investment of the 'Investing in our Growth' fund projects such as the Innovation units at Suffolk Business Park, and the use of the Barley Homes loan facility. This in turn provides cash balances that are being reinvested for interest returns. Further detail by individual capital project can be found in **Appendix C**.

Earmarked reserves

- 4.9 The council's forecast balance on earmarked revenue reserves (reserves that have been held for specific purposes) at the end of the financial year is **£45.4 million**, against a budgeted closing balance of **£42.8 million**. The majority of this variance relates to timing of expenditure into the next financial year, related to capital programme phasing as detailed below. This net under-utilisation is primarily due to additional contributions to the capital project financing reserve, resulting from reduced borrowing and minimum revenue provision due to project timings (£1.5 million), additional contributions in respect of investment interest (£0.9 million) arising from improved interest rates and cash held, and project timings on the building repairs reserve (£0.2 million), and the car park development reserve (£0.2 million) linked again to the capital programme, plus a number of smaller variances. These increased balances are expected to be utilised across the medium-term budgets, especially with interest rates remaining higher in the short term and external borrowing estimated to take place in the next 12 to 24 months whilst rates are still higher than expected in the longer term.
- 4.10 Earmarked reserves are just that – they are earmarked for specific purposes, including for investment in the renewals of our waste fleet vehicles programme and investment in our operational and commercial properties. Details of the individual reserve balances and movements during the year can be found in **Appendix D**. It should be noted that these are the reserve balances as they are forecasted to stand at the end of 2023 to 2024. However, these reserves are earmarked for specific purposes across the council's Medium Term Financial Strategy (MTFS) and should be viewed in the longer term context.
- [COU.WS.23.003 Attachment D Appendix 3 - Earmarked Revenue Reserves.pdf \(westsuffolk.gov.uk\)](#)

5. Alternative options

- 5.1 In order for the council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. The use of the council's general fund balance can be considered to manage the residual in-year net financial pressures being experienced, after in-year savings and initiatives such as vacancy management have taken place. However, the 2023 to 2024 budget was prepared on the basis of no further calls from the general fund balance, alongside its return to the agreed £5 million policy level so any utilisation in year will result in a pressure on the 2024 to 2025 budget as provision will need to be made to replenish the general fund back up to the agreed policy level.

6. Consultation and engagement

- 6.1 This report and the figures and commentary therein have been compiled by the Finance team in consultation with the relevant budget holders, services and Leadership Team.
- 6.2 The key performance indicator reporting arrangements have been developed through extensive consultation with service areas, Leadership Team and previous Portfolio Holders and will be continually further refined through the Performance and Audit Scrutiny Committee.

7. Risks

- 7.1 The West Suffolk Risk Register is a document that records all known strategic risks that may impact the ability to deliver services and performance of West Suffolk Council. Each risk is described and the relative inherent impact and probability of the risk coming to pass is estimated. The actions and controls that are undertaken to mitigate this risk are then laid out resulting in a revised residual impact and probability estimate.
- 7.2 A new risk (WS23) has been added to reflect the relatively new nature of the current administration and includes the actions taken to provide training and inductions for all new members. It is anticipated that this will only be a temporary inclusion.
- 7.3 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. This group is comprised of service representatives, including Health and Safety, supported by a director and the portfolio holder for Resources and Property. Directors and/or service managers may be required to provide further information as requested by the group.
- 7.4 The aim of this process is to provide assurance that all strategic risk has been identified and that there are mitigating actions and controls in place to reduce these risks to an acceptable level.
- 7.5 At its most recent assessment on 9 June 2023, the group reviewed the Target Risk, the risk level where the council aims to be, and agreed a Current Risk assessment. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix E**.
- 7.6 Part of this assessment included the consideration of the controls and actions in place to address the individual risks. Where target risk levels are lower than the current risk assessment, further action is either being taken or planned in order to treat the risk and meet the target.

- 7.7 Some individual controls or actions have been updated and those that were not ongoing and had been completed by March 2023 have been removed from the register.

8. Implications arising from this proposal

- 8.1 All implications arising from the proposals are covered within the report and its associated appendices.

9. Appendices referenced in this report

- 9.1 Appendix A – Performance indicators (also available in an online, interactive format at [Appendix A: KPI Dashboards](#))
Appendix B – Income and expenditure report
Appendix C – Capital Programme
Appendix D – Earmarked reserves
Appendix E – Strategic Risk Register

Exempt Appendix F – Aged debt over 90 days summary

If you experience any problems with accessing this document or any of the appendices, please email performance@westsuffolk.gov.uk.

10. Background documents associated with this report

- 10.1 [Q1 Performance Report - 2022 to 2023](#)
[Q2 Performance Report - 2022 to 2023](#)
[Q3 Performance Report - 2022 to 2023](#)
[Q4 Performance Report - 2022 to 2023](#)

[Council Agenda including 2023 to 2024 Budget and Council Tax Setting Report](#)

[Council Agenda including 2022 to 2023 Budget and Council Tax Setting Report](#)

1. Index

Understanding the dashboards

The majority of charts no longer include targets. This is part of the updated approach to performance management, where comparisons are made between years, or with national averages. Where targets are included, they are shown as yellow dotted lines. Further targets can be added if these are considered helpful.

Some of the charts have a combination of dots and lines. This is where an indicator was previously collected quarterly and is now collected monthly. It wouldn't be appropriate to join the dots between quarterly data, so they remain as separate dots.

Text is included alongside the graphs where service areas have provided additional commentary to explain or expand on the data.

Some charts are shown as 'YTD'. This means 'Year to date' and so the measures are cumulative from 1 April of the current reporting year.

Most charts compare the last three years, so the different colours represent different years. In some cases, for example, vacant shops, comparisons are made between places instead of years on the chart, but years can be compared instead using the 'slicers' at the side of the charts. Where only one year of data is available, the slicer will only show one year.

If you have any problems accessing this document, please email performance@westsuffolk.gov.uk

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2. Cross-cutting: environmental performance

Latest Data Period:

June 2023

Commentary or Summary

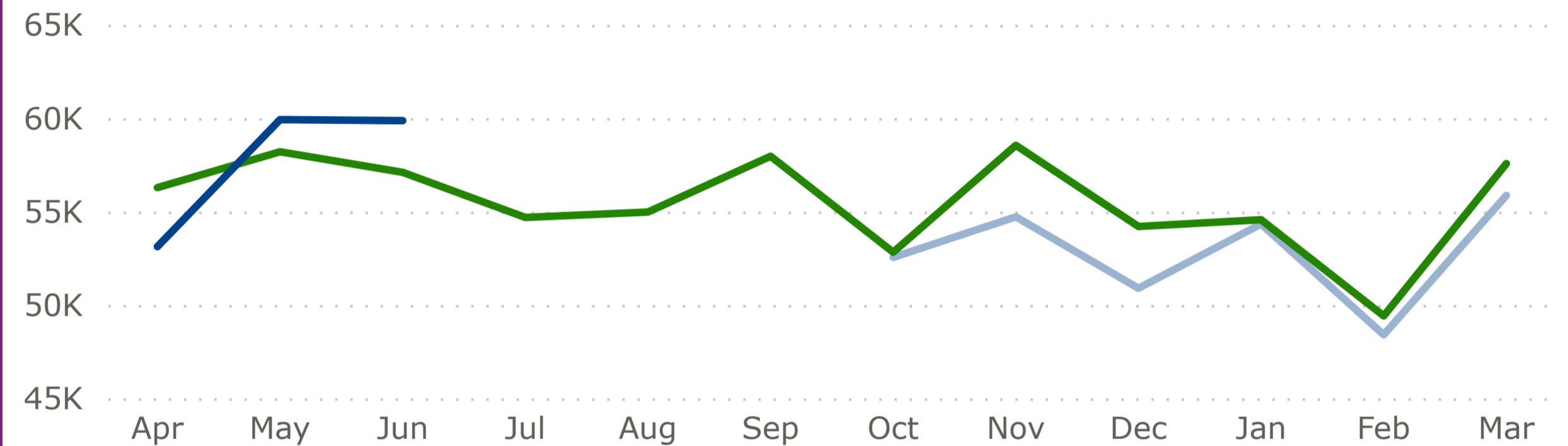
Petrol: used in strimmers and parking enforcement vehicles.

AdBlue: an additive used in newer vehicles to reduce exhaust tailpipe emissions (the low July figure was due to a system error).

Diesel: other fleet vehicles for example mowers, vans, lorries, refuse trucks etc. Excludes red diesel.

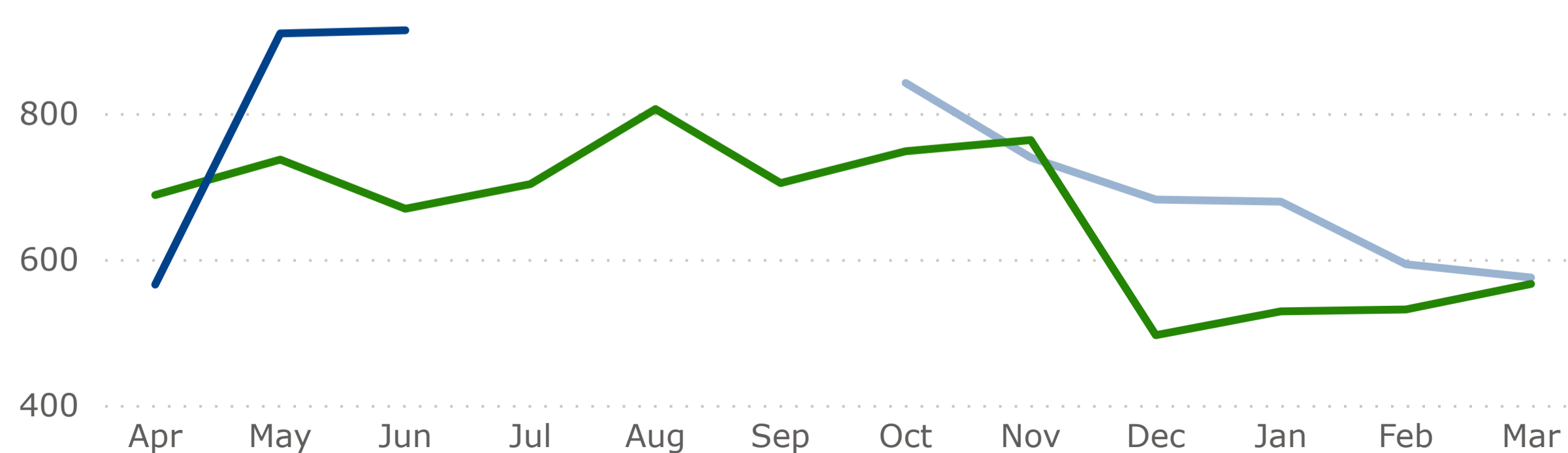
Amount of diesel used by fleet vehicles (litres)

Financial Year ● 21-22 ● 22-23 ● 23-24



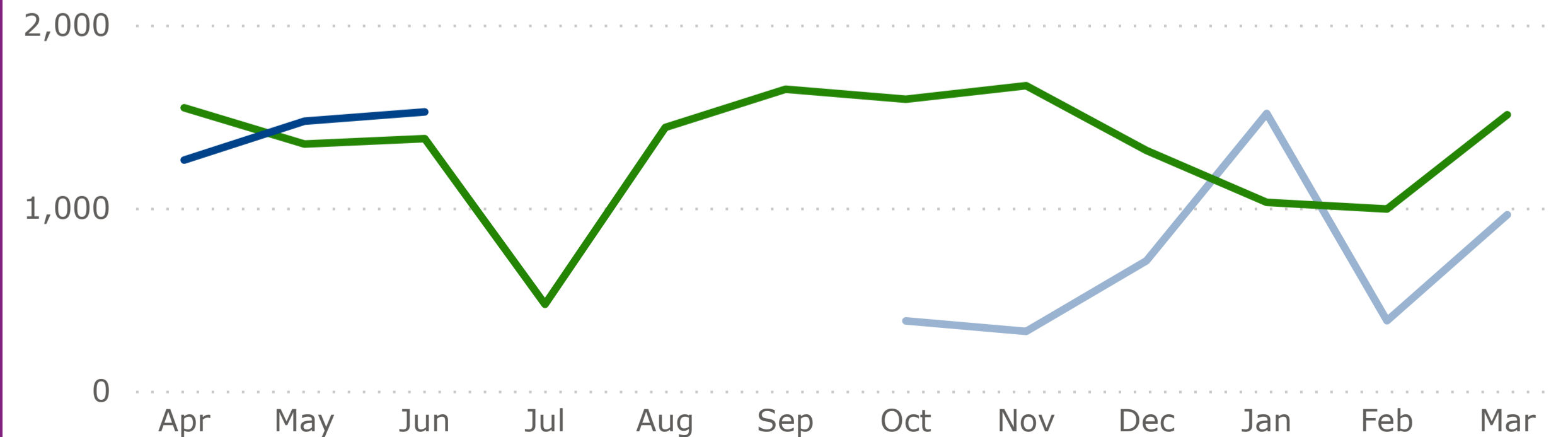
Amount of petrol used by fleet vehicles (litres)

Financial Year ● 21-22 ● 22-23 ● 23-24



Amount of Ad blue used by fleet vehicles (litres)

Financial Year ● 21-22 ● 22-23 ● 23-24



3. Cross-cutting: environmental performance

Latest Data Period:

June 2023

Commentary or Summary

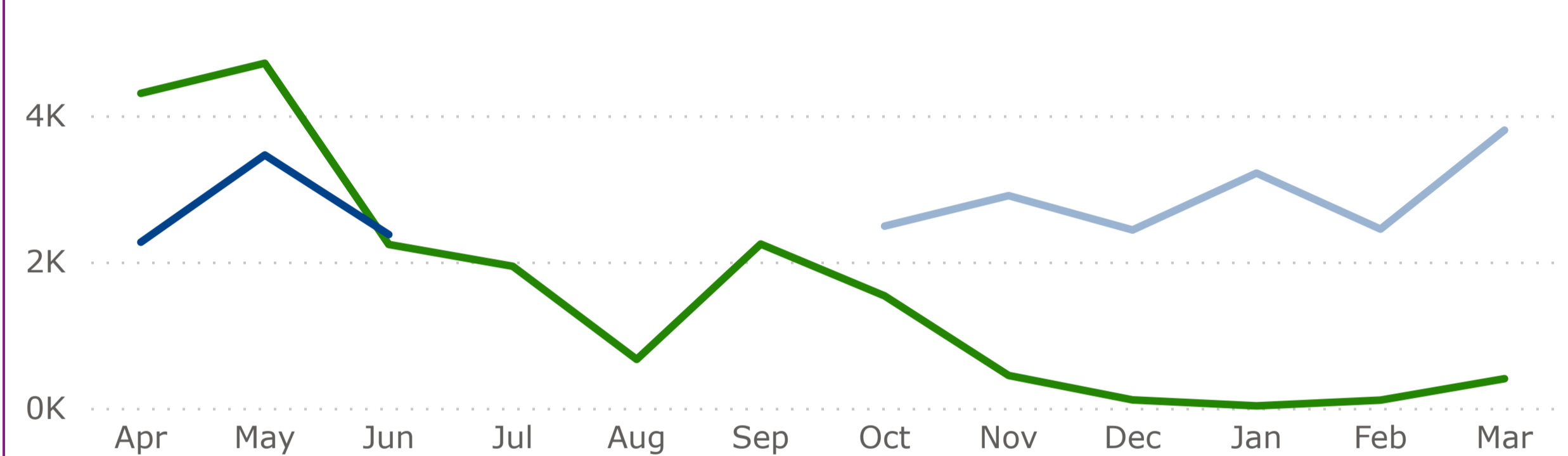
Amount of red diesel used by grounds maintenance vehicles (litres): It is important to note that red diesel usage has changed because of the rules around the eligibility to use it. In December 2021, we were allowed to use red diesel in all our agricultural and depot vehicles (JCB's), however, now our use is very limited. Only some mowers and highway roadside verge/hedge clearing equipment is permitted to use red diesel now.

Amount of electricity consumed: This figure now includes Mildenhall Hub.

Amount of gas consumed across five highest consuming sites: This data excludes Mildenhall hub where we are still waiting for the data to flow.

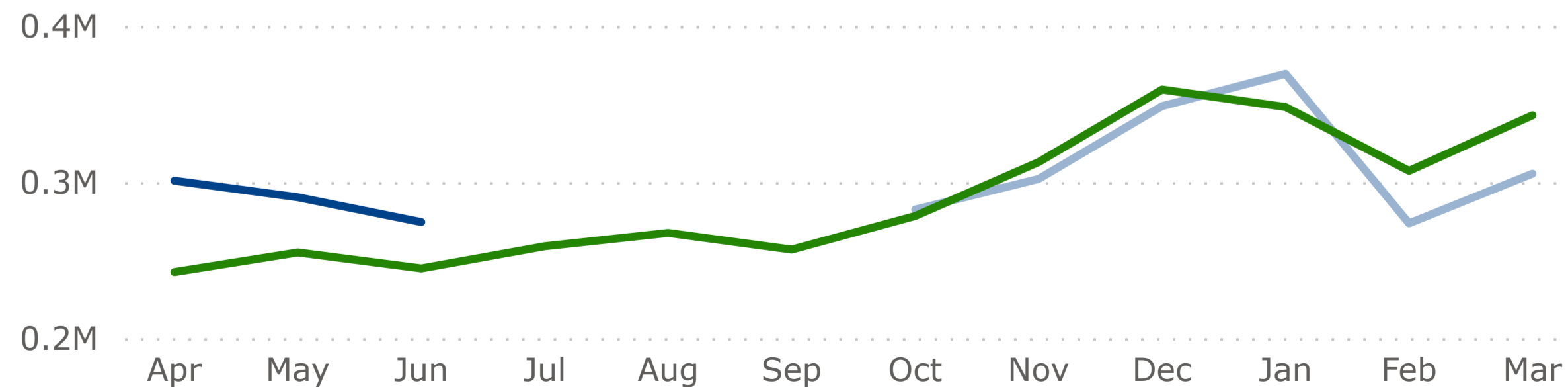
Amount of red diesel used by grounds maintenance vehicles (litres)

Financial Year ● 21-22 ● 22-23 ● 23-24



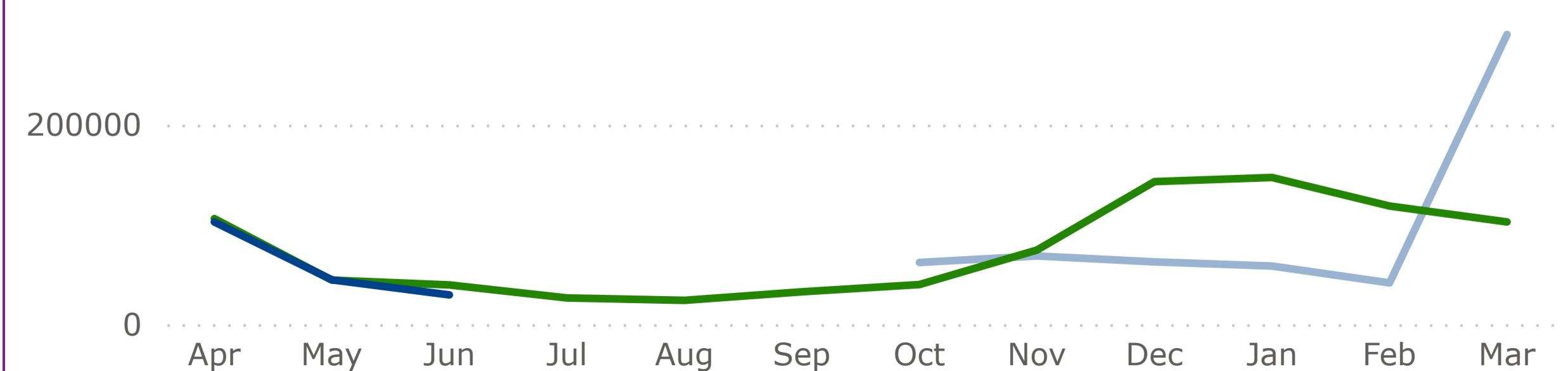
Amount of electricity consumed by five highest consuming council sites, where half hourly metering exists (kWh)

Financial Year ● 21-22 ● 22-23 ● 23-24



Amount of gas consumed by five highest consuming council sites, where half hourly metering exists (kWh)

Financial Year ● 21-22 ● 22-23 ● 23-24



4. Cross-cutting: wider economic context

Latest Data Period:

June 2023

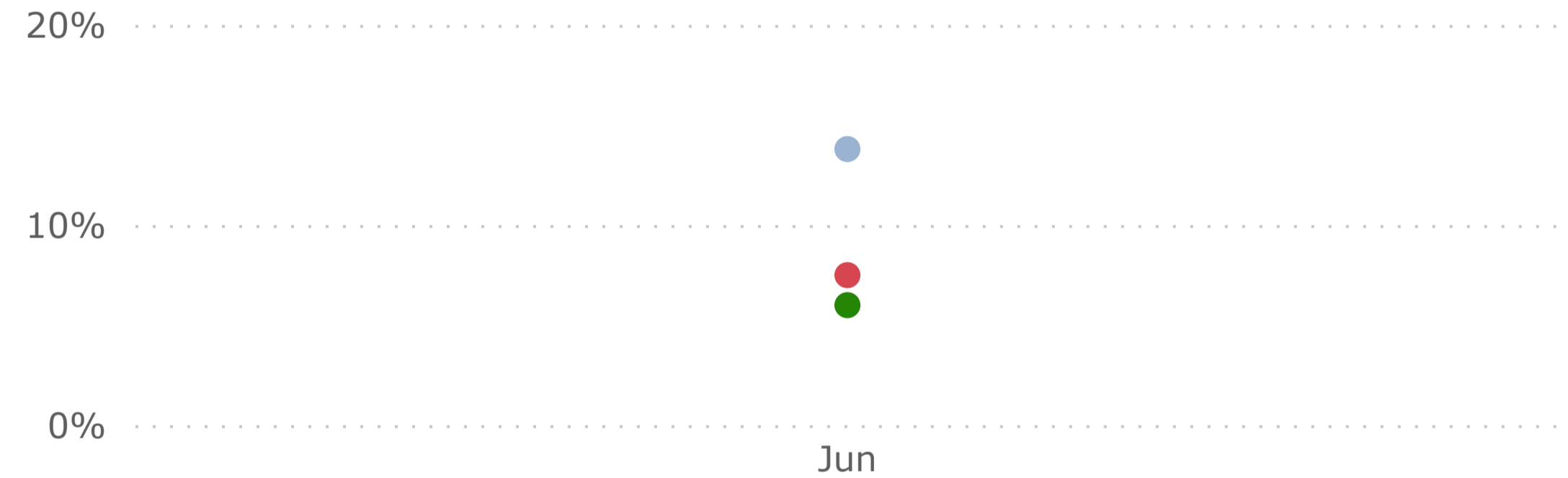
Commentary or Summary

Please note this information relates to the vacant units within the town centres of these settlements only and does not relate to shopping parades or others smaller retail provision.

Page 82

Percentage of vacant shops in Brandon

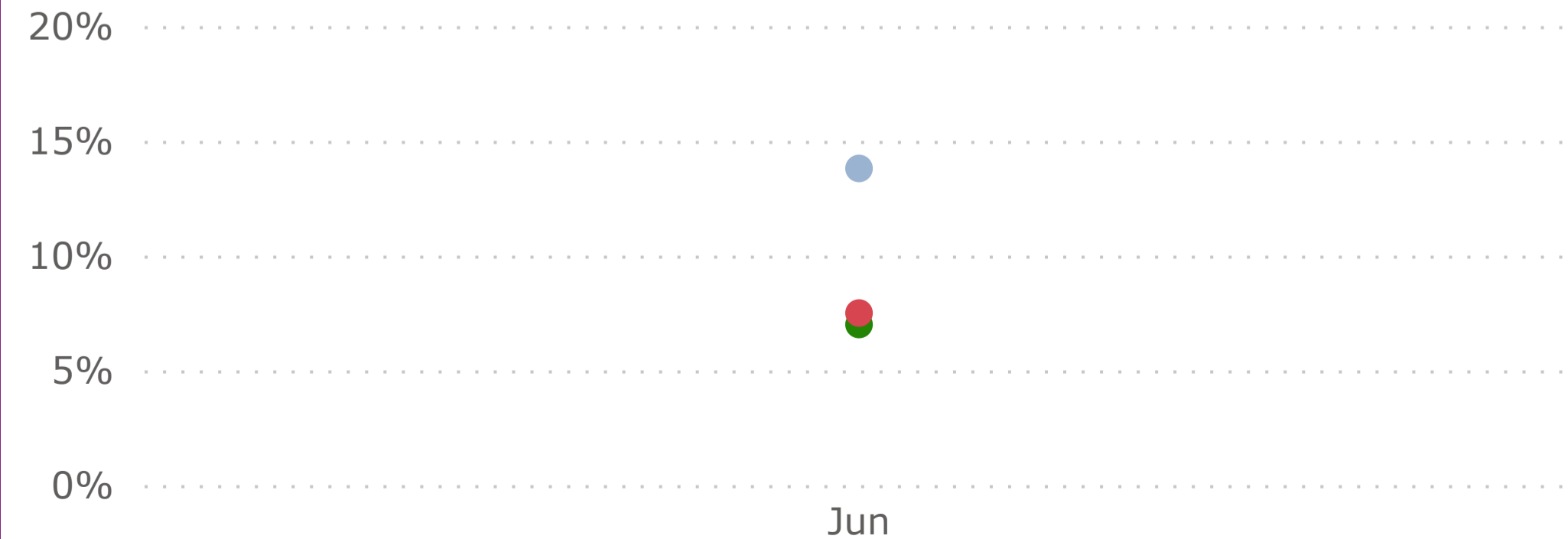
● Brandon ● West Suffolk ● UK



- 21-22
- 22-23
- 23-24

Percentage of vacant shops in Bury St Edmunds

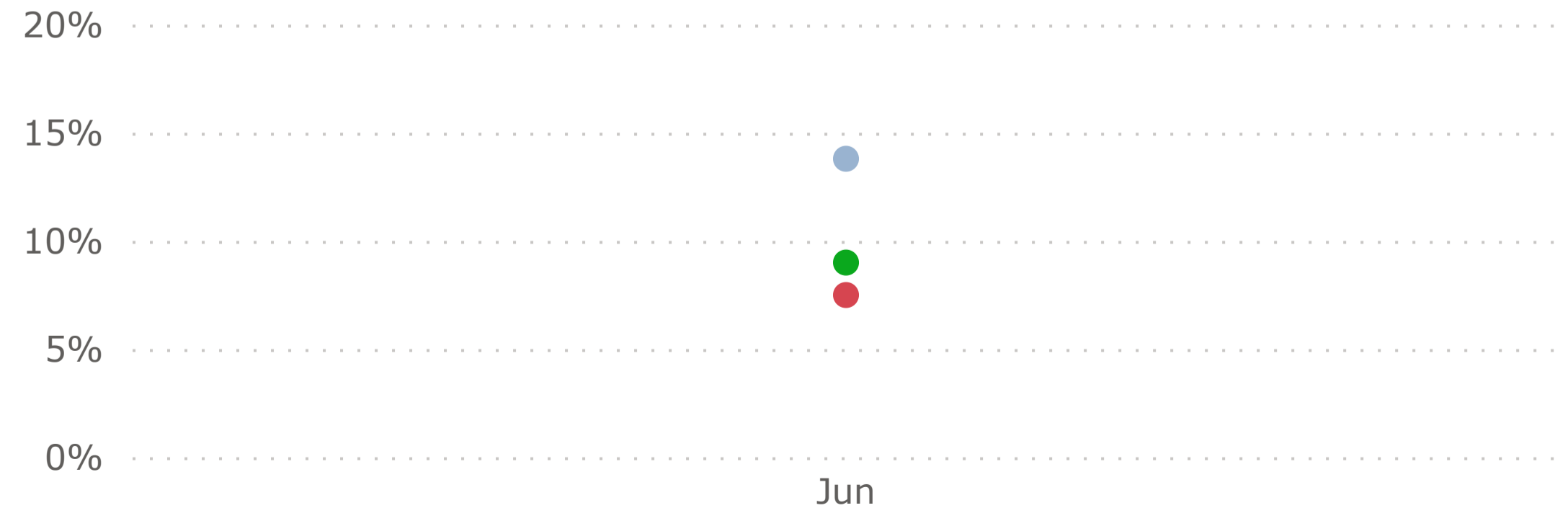
● Bury St Edmunds ● West Suffolk ● UK



- 21-22
- 22-23
- 23-24

Percentage of vacant shops in Clare

● Clare ● West Suffolk ● UK



- 21-22
- 22-23
- 23-24

5. Cross-cutting: wider economic context

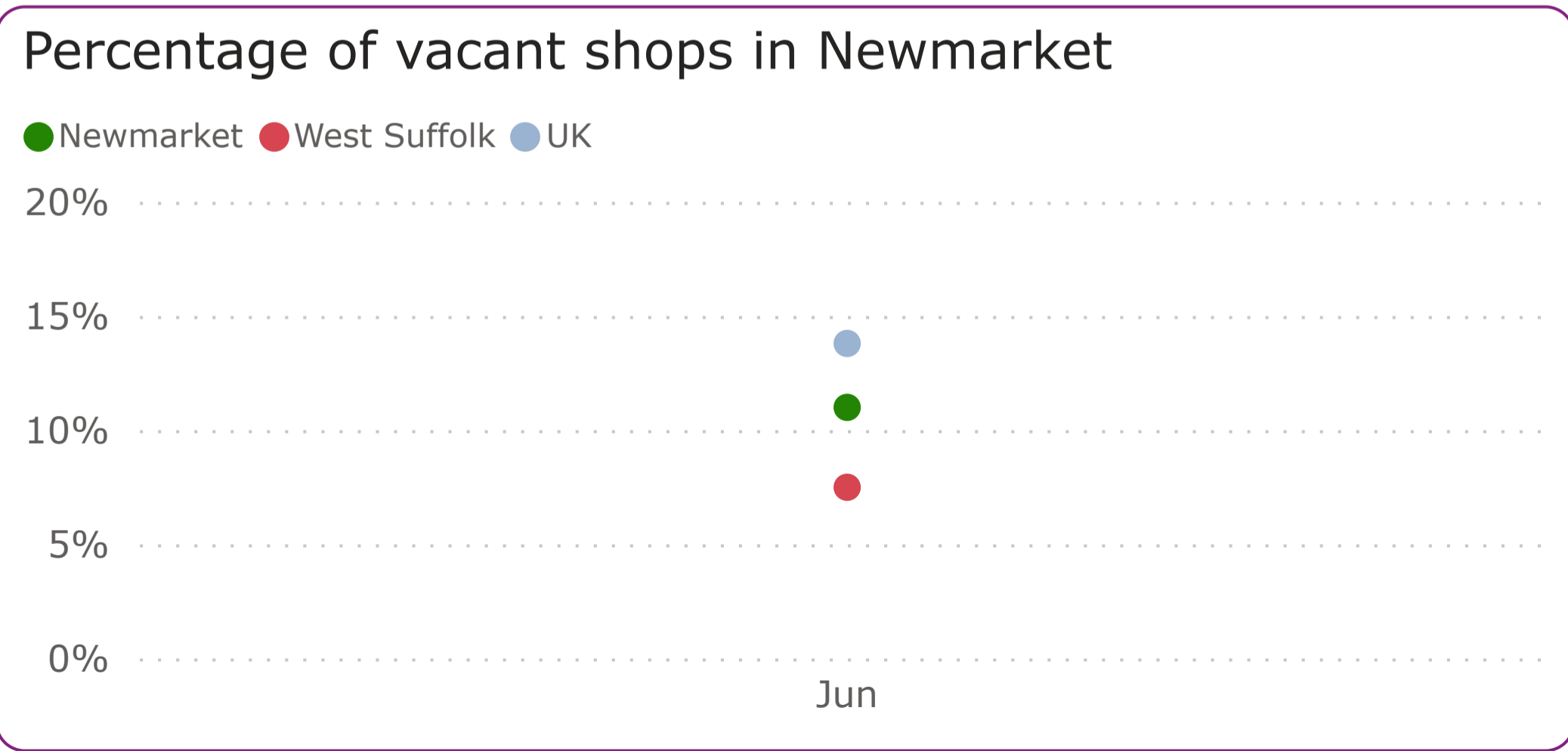
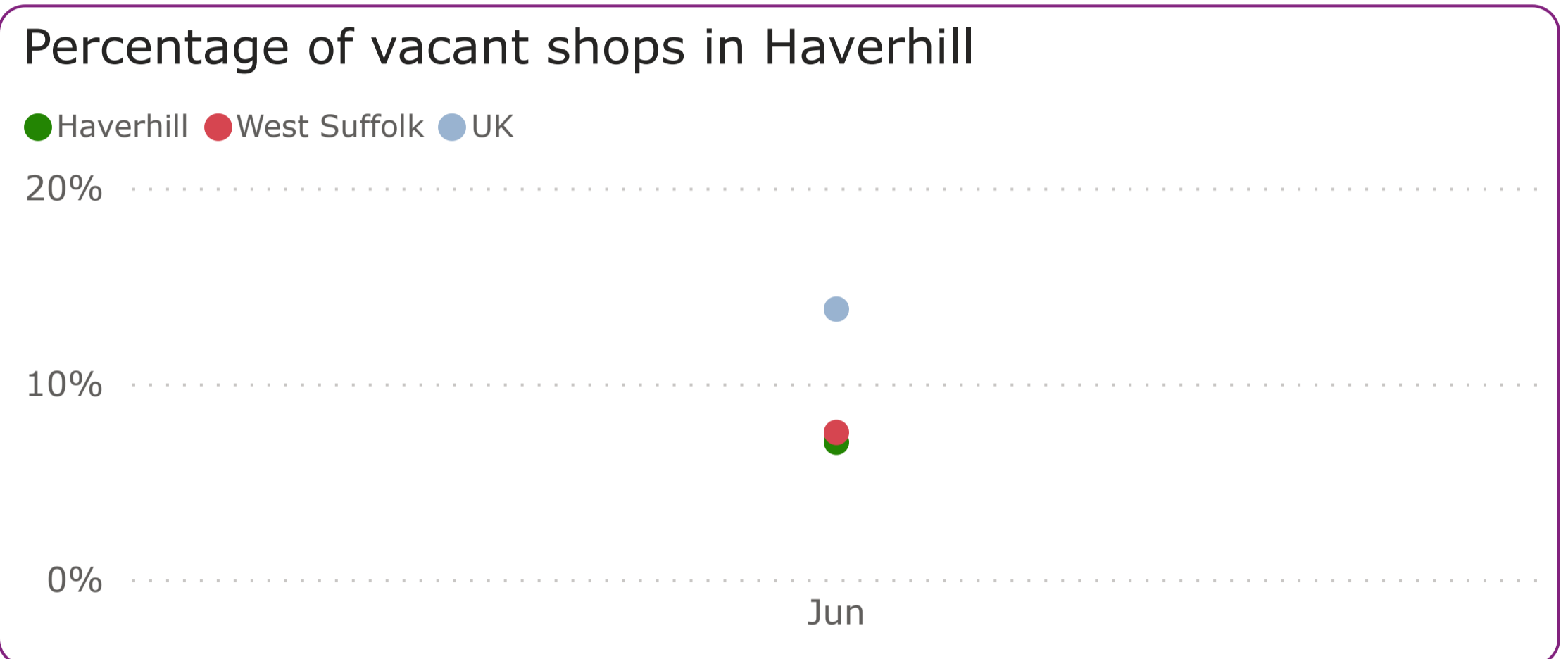
Latest Data Period:
June 2023



Commentary or Summary

Please note this information relates to the vacant units within the town centres of these settlements only and does not relate to shopping parades or others smaller retail provision.

Page 83



- 21-22
- 22-23
- 23-24



- 21-22
- 22-23
- 23-24

6. Cross-cutting: wider economic context

Latest Data Period:

June 2023



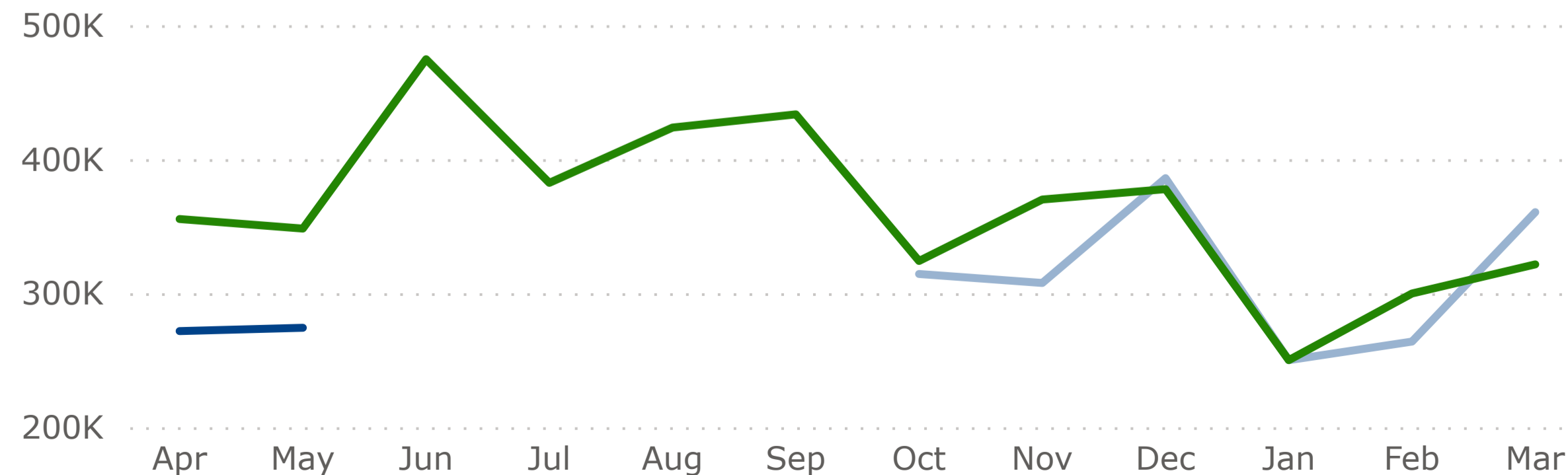
Commentary or Summary

Please note: The footfall counter in Bury St Edmunds (Abbeygate Street) captures those walking past it and could therefore capture the same people multiple times, while the footfall counter in Newmarket identifies mobile phones and therefore only counts people once (this will not capture those without a mobile phone).

Our Bury St Edmunds are piloting a new method to capture footfall data in a similar way to Newmarket. We may revise Bury St Edmunds footfall data in due course depending on the outcome of the pilot - [Bury St Edmunds town centre has seen a rise in visitors, according to a new monitoring system being trialled](https://www.suffolknews.co.uk/news/bury-st-edmunds-town-centre-has-seen-a-rise-in-visitors-according-to-a-new-monitoring-system-being-trialled) ([suffolknews.co.uk](https://www.suffolknews.co.uk)).

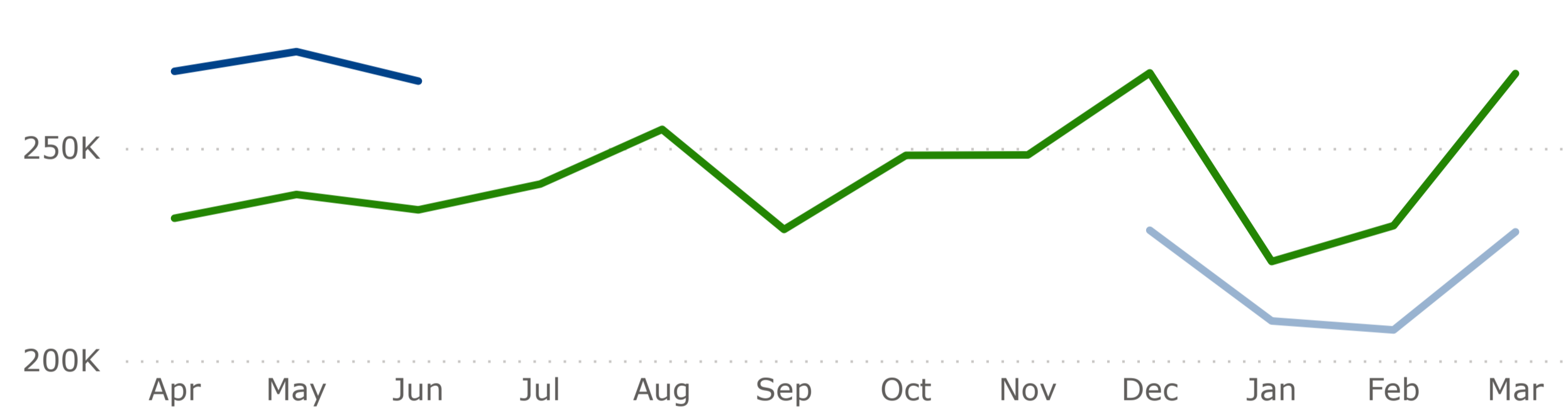
Footfall in Bury St Edmunds town centre

Financial Year ● 21-22 ● 22-23 ● 23-24



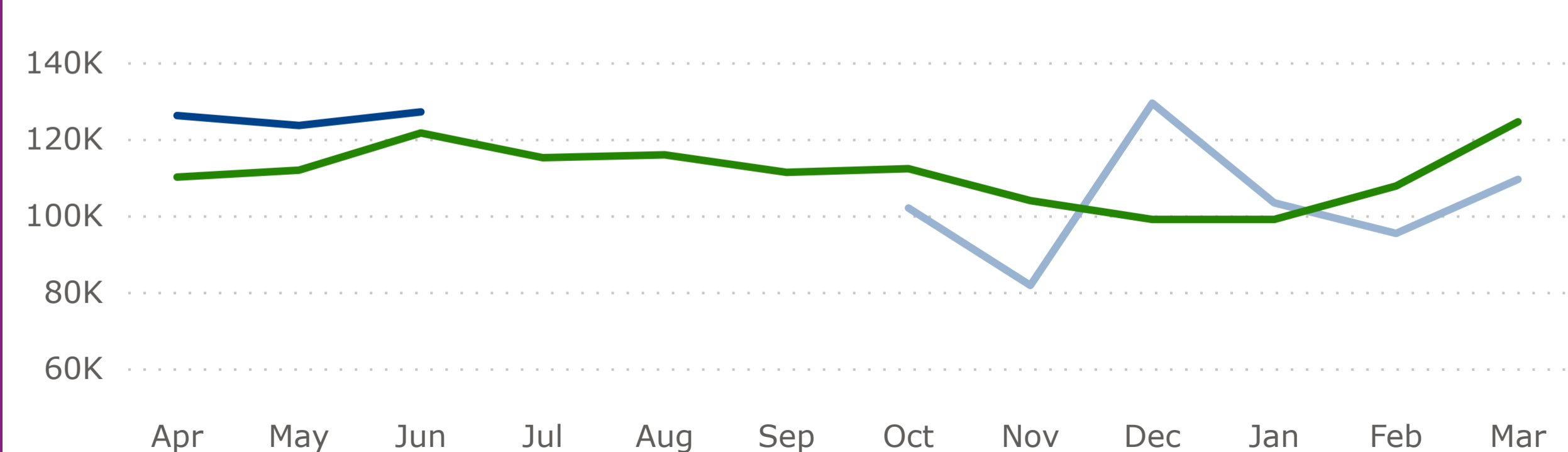
Number of car parking events in West Suffolk Council off-street car parks

Financial Year ● 21-22 ● 22-23 ● 23-24



Footfall in Newmarket town centre

Financial Year ● 21-22 ● 22-23 ● 23-24



7. Cross-cutting: wider economic context

Latest Data Period:

June 2023

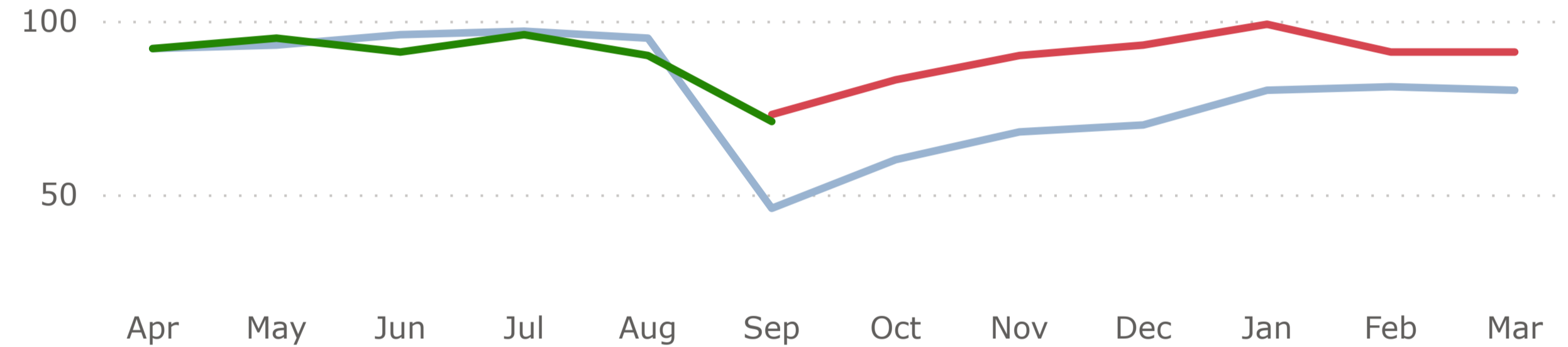
Commentary or Summary

Number of NEETs: This figure is reported annually in Q2.

Number of Universal Credit claimants: This figure is the highest since January 2021.

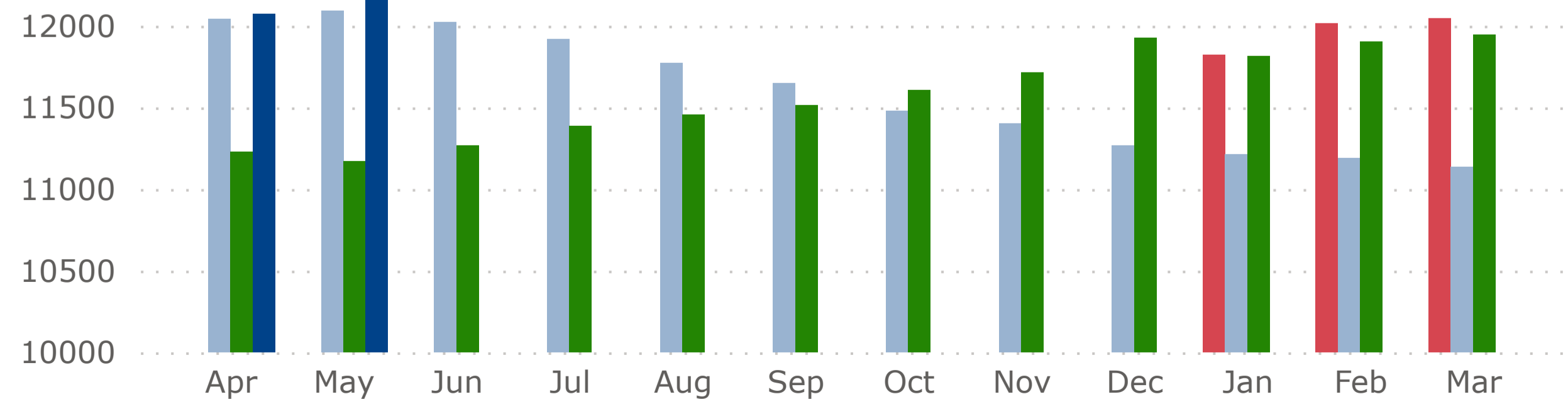
Number of NEETs (Not in Education, Employment or Training)

Financial Year ● 20-21 ● 21-22 ● 22-23



Number of Universal Credit claimants (one month lag)

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24



8. Customer contact: website

Latest Data Period:

June 2023



Commentary or Summary

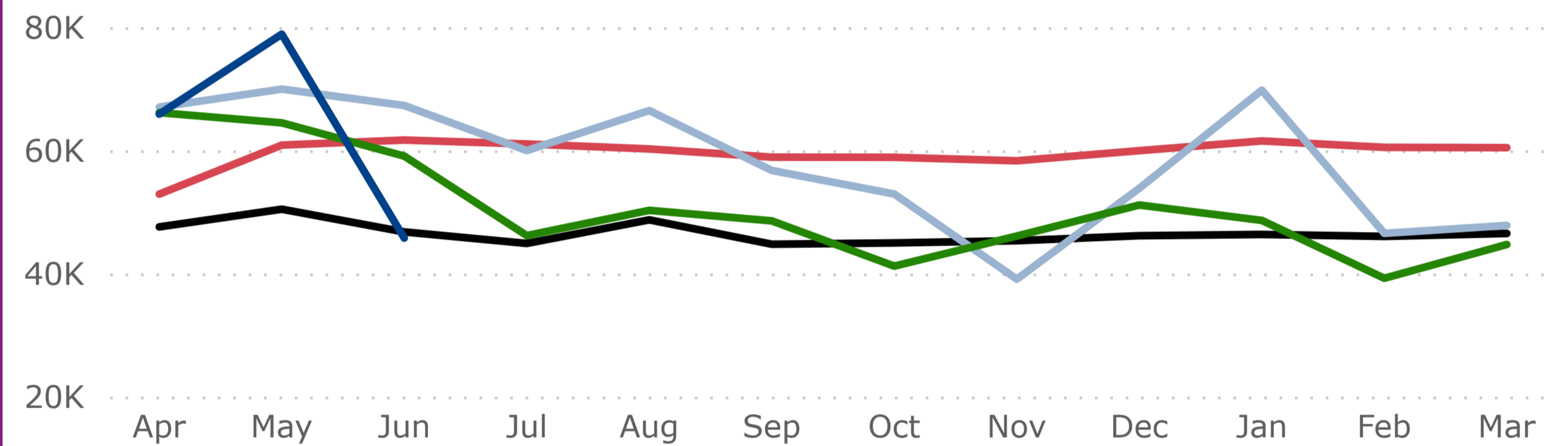
Number of unique users of the West Suffolk Council website: Visitors and page views have dropped following the increase last month due to elections.

NB: These figures do not include electronic forms (for example garden waste). Where a customer clicks on a link to an externally hosted form direct from an email or social media, it will not be included in these figures.

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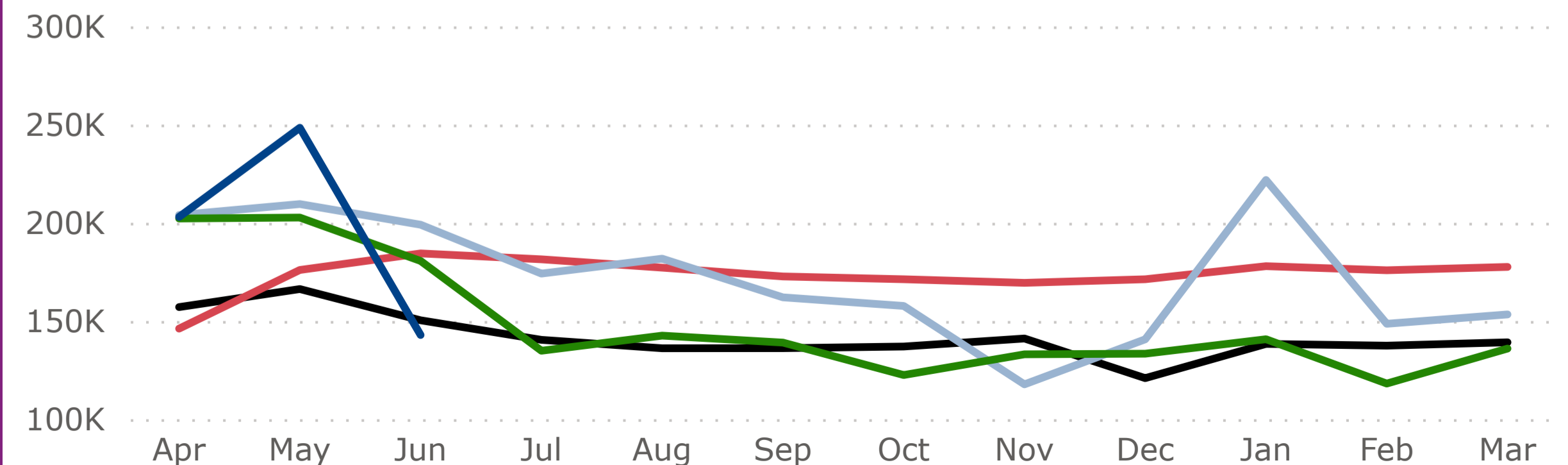
Number of unique users of the West Suffolk Council website

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of unique page views to the West Suffolk Council website

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



9. Housing and Strategic Health

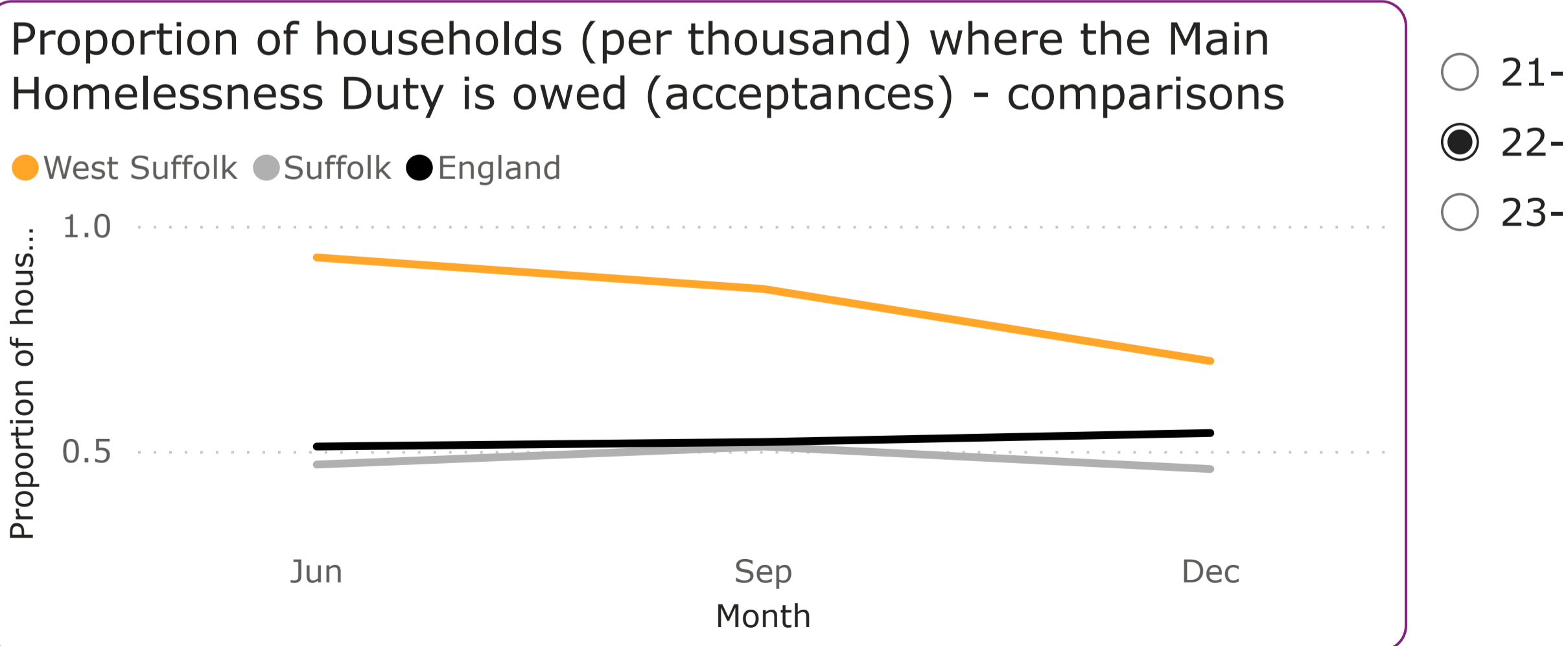
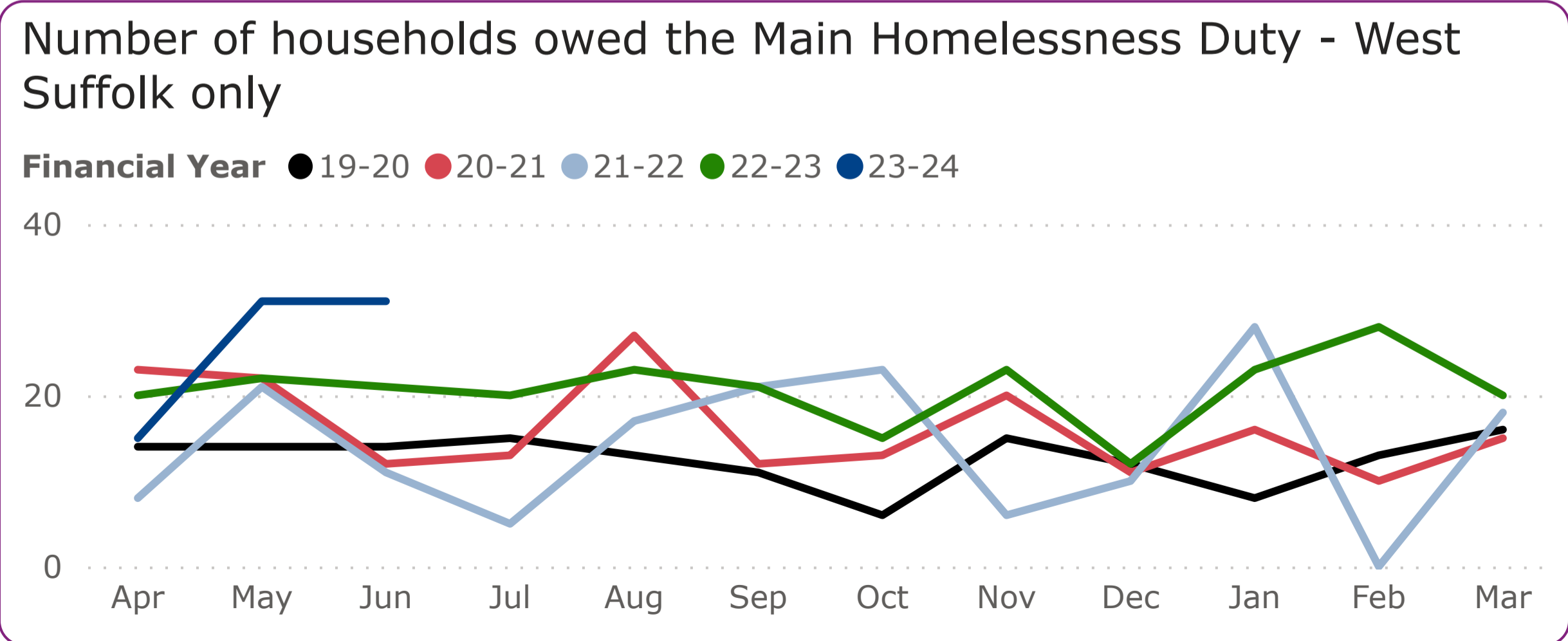
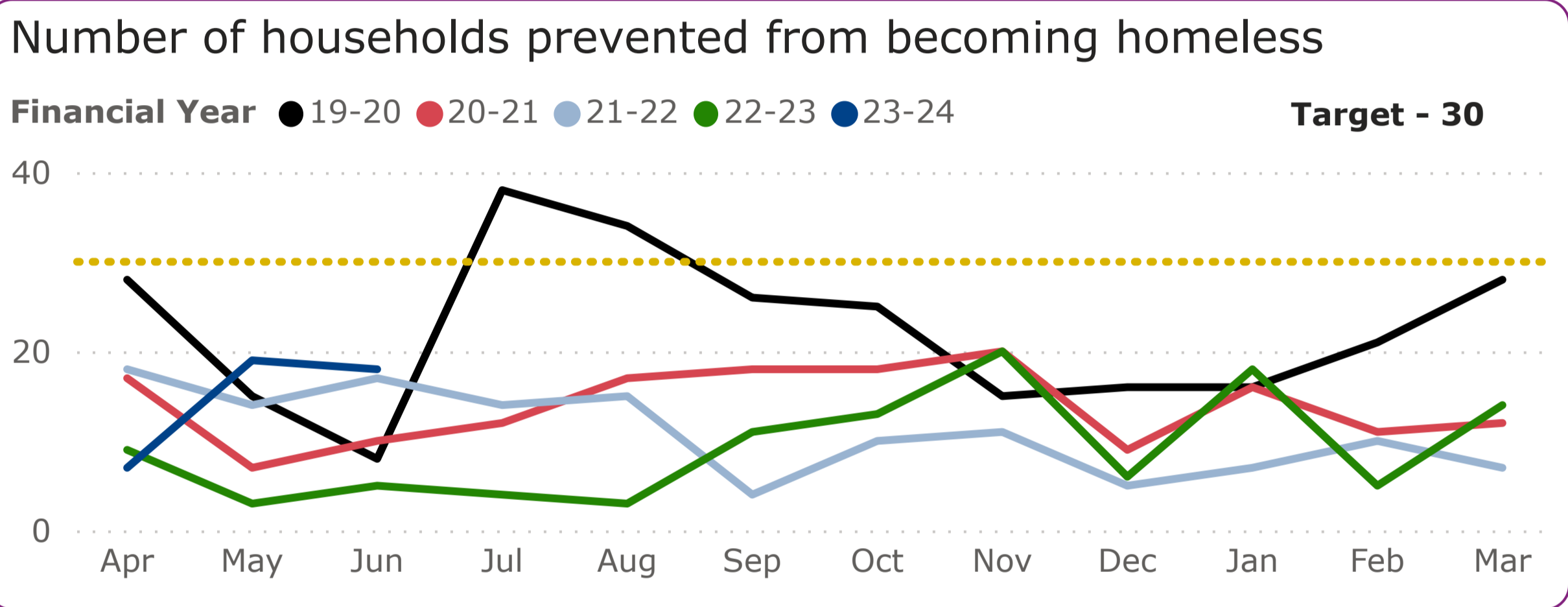
Latest Data Period:

June 2023



Commentary or Summary

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10. Housing and Strategic Health

Latest Data Period:

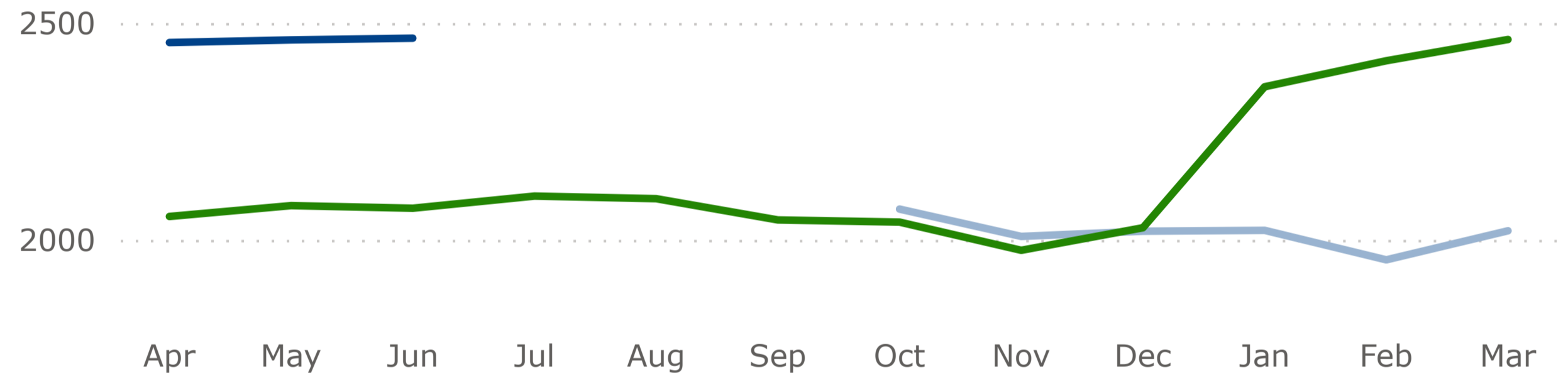
June 2023

Commentary or Summary

Page 88

Number of households on the housing register in all bands

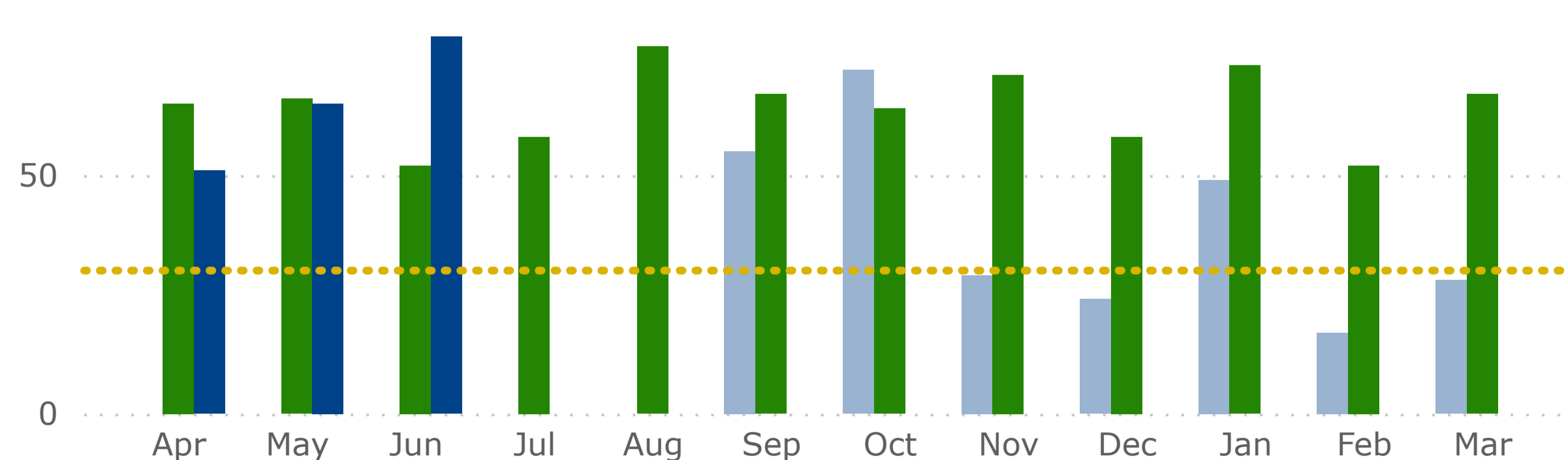
Financial Year ● 21-22 ● 22-23 ● 23-24



Number of Personalised Housing Plans created

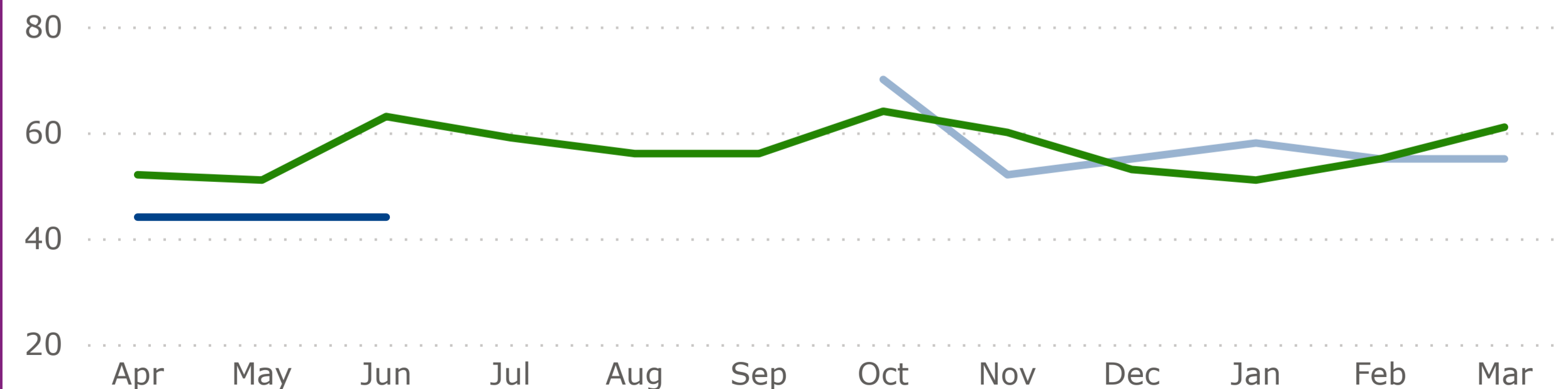
Financial Year ● 21-22 ● 22-23 ● 23-24

Target - 30



Number of young people (aged between 16 and 25, both singles and in families) identified as experiencing homelessness

Financial Year ● 21-22 ● 22-23 ● 23-24



11. Housing and Strategic Health

Latest Data Period:

June 2023

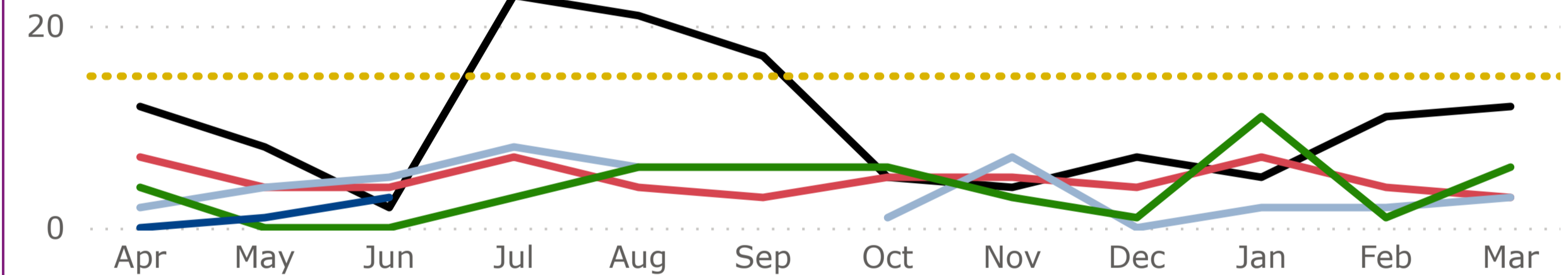
Commentary or Summary

Page 89

Number of households prevented from becoming homeless by maintaining their current home

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24

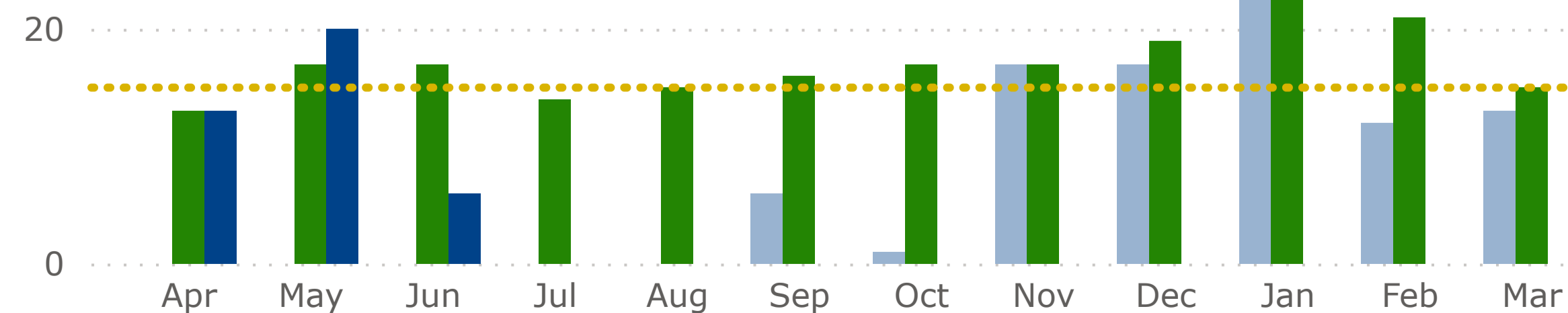
Target - 15



Number of households relieved from homelessness by securing accommodation for six months or more

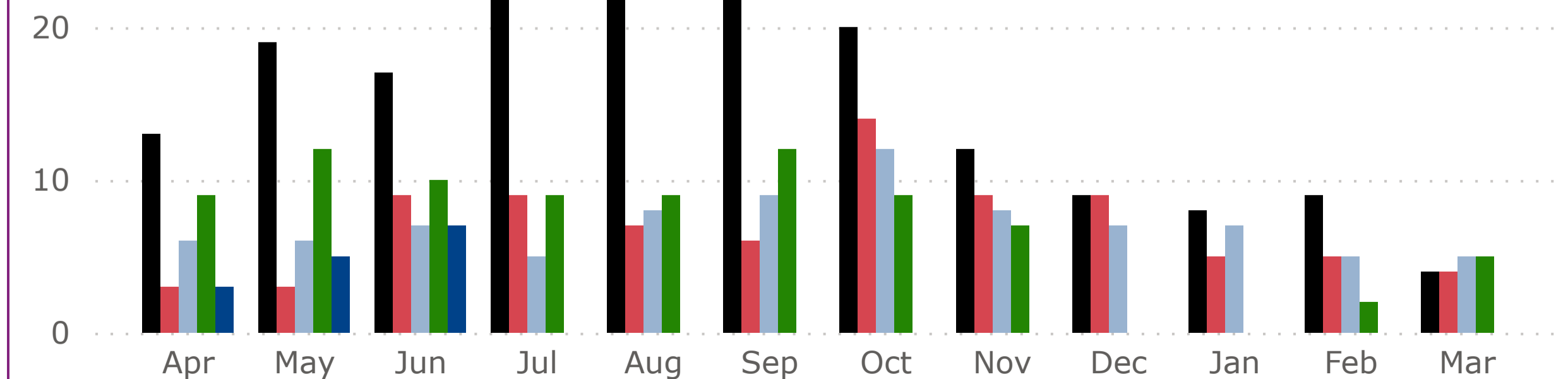
Financial Year ● 21-22 ● 22-23 ● 23-24

Target - 15



Number of rough sleepers

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



12. Housing and Strategic Health

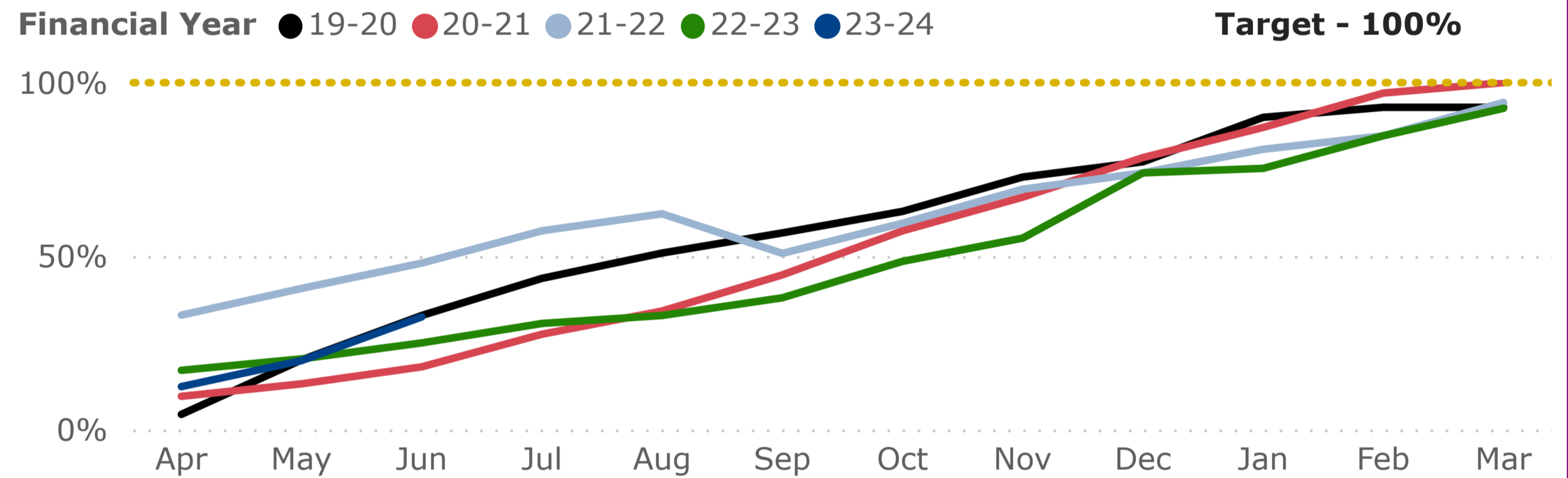
Latest Data Period:

June 2023

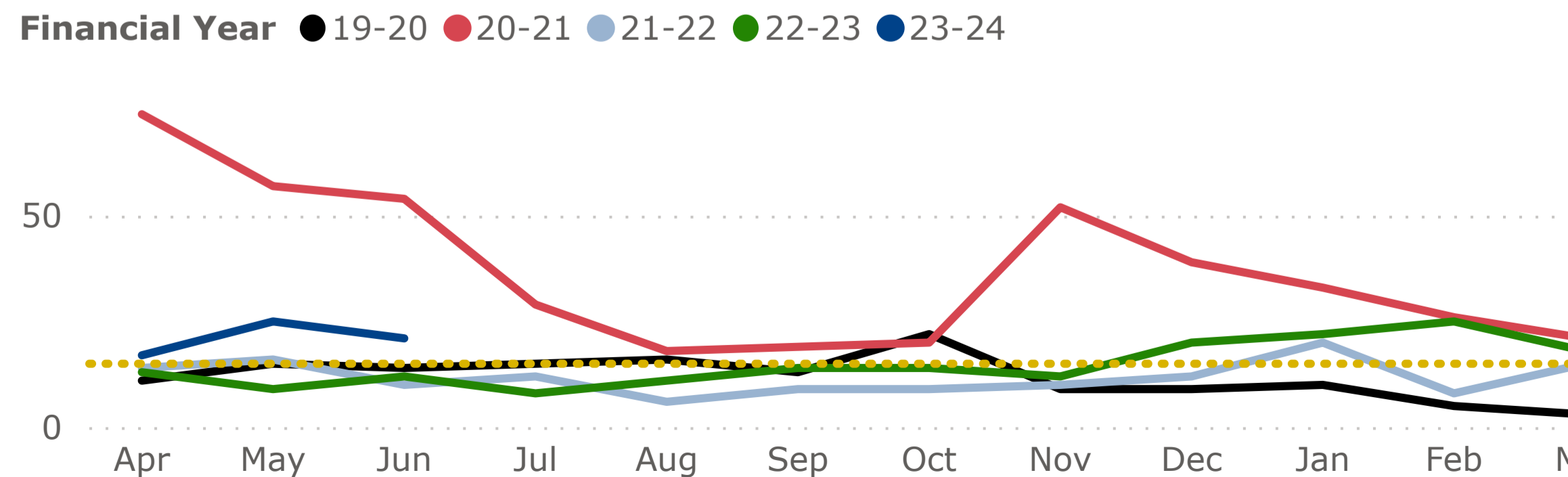
Commentary or Summary

Page 90

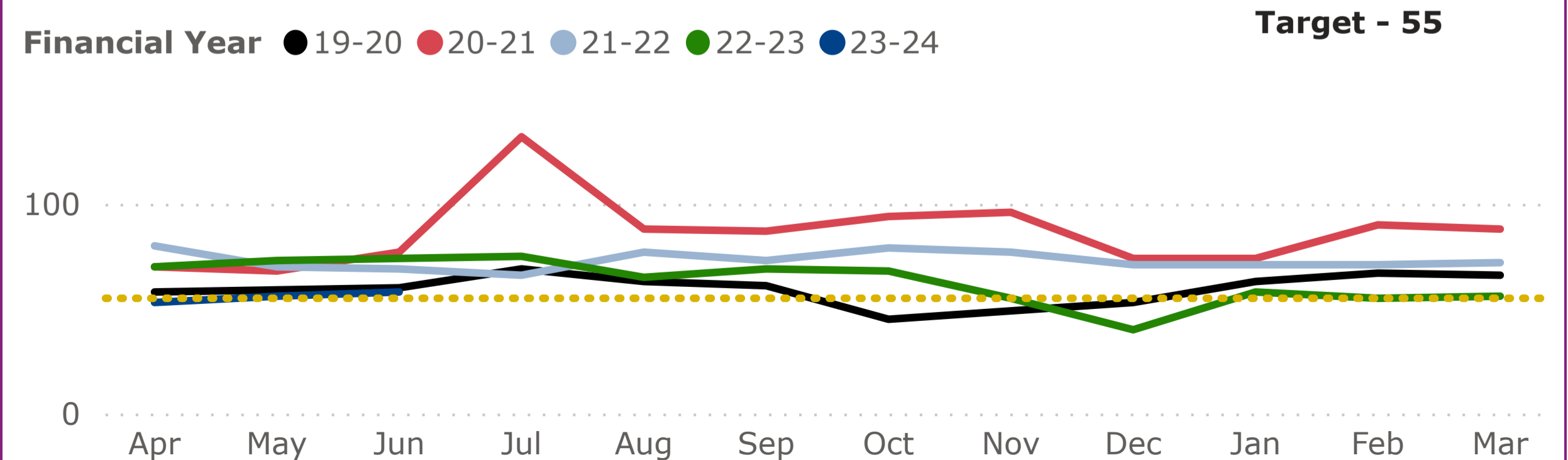
Percentage of Discretionary Housing Payment used (YTD)



Number of households in Bed and Breakfast accommodation as at last day of the month



Number of households in temporary accommodation as at last day of the month



13. Housing and Strategic Health

Latest Data Period:

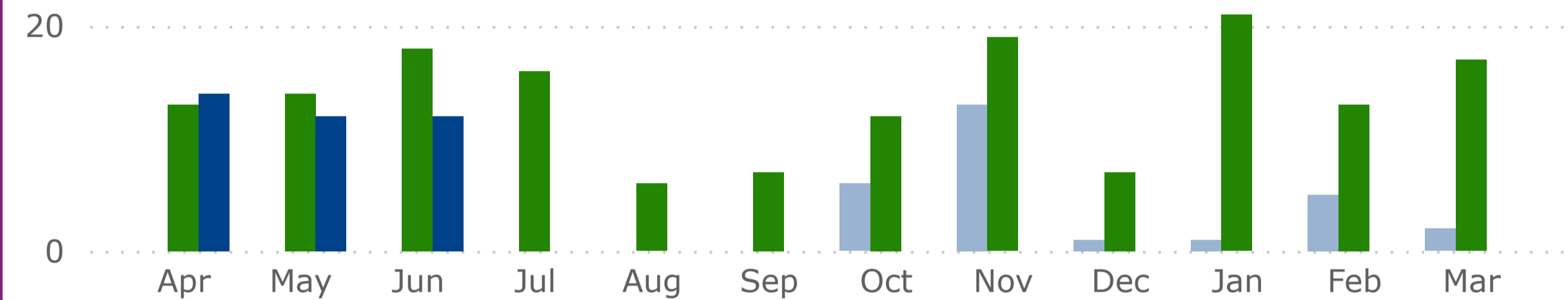
June 2023

Commentary or Summary

Page 91

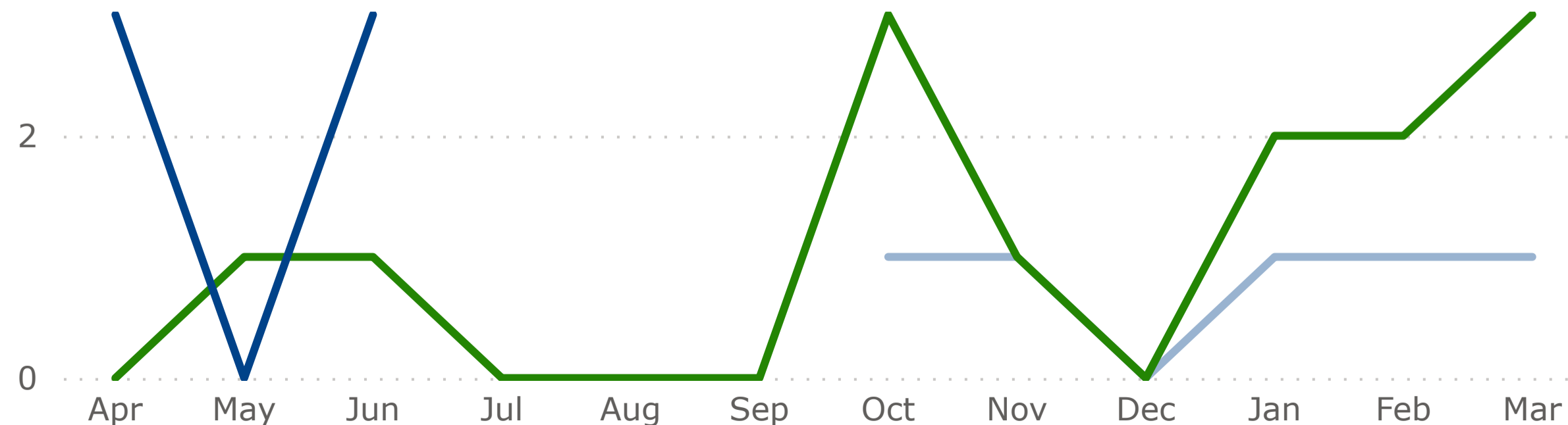
Number of homelessness duties discharged into the private rented sector

Financial Year ● 21-22 ● 22-23 ● 23-24



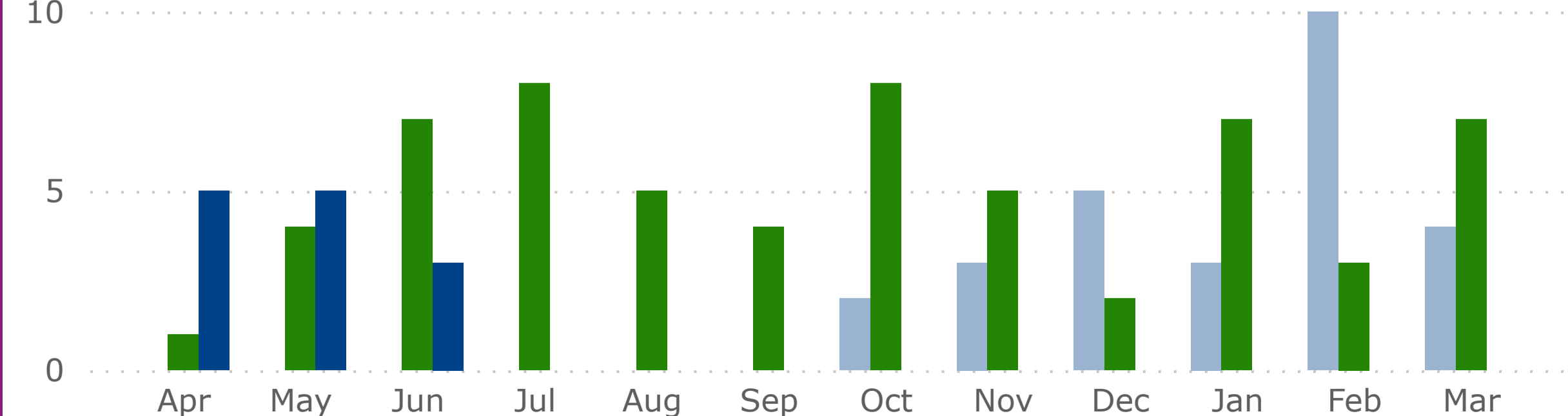
Number of landlord incentives paid

Financial Year ● 21-22 ● 22-23 ● 23-24



Number of rent deposit bonds provided

Financial Year ● 21-22 ● 22-23 ● 23-24



14. Housing and Strategic Health

Latest Data Period:

June 2023

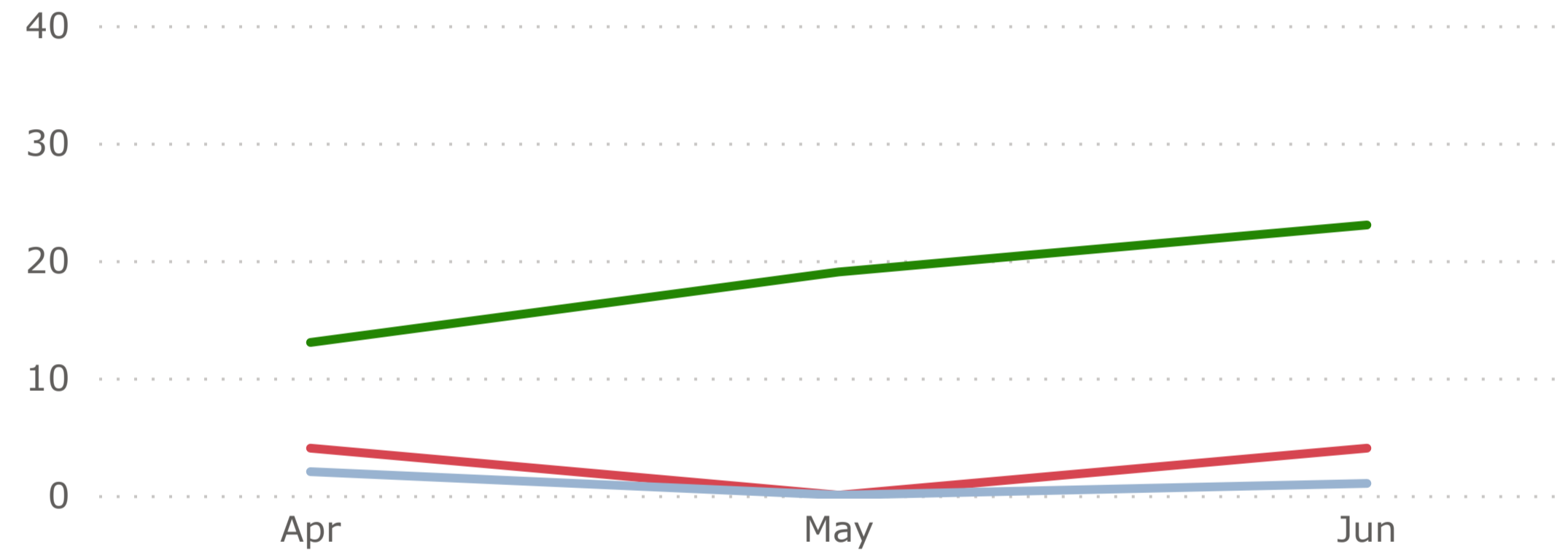
Commentary or Summary

During June 2023, we received 28 referrals for adaptations 14 from ILS, 4 from Home First/Adult Care Services, 1 from Children's & Young Persons Services, 4 from the community OTs, 1 from West Suffolk Hospital and 4 from GP Surgeries. We also dealt with 19 enquiries of which 4 were referred to Suffolk County Council for full OT Assessments.

A total of 16 grants were approved all of which were discretionary Fast Track applications. A further 20 grants were completed and paid during this period. 16 discretionary Fast Track applications with a median average end to end time of 15 weeks (from receipt of referral to completion works). 3 mandatory Disabled Facilities grants with a median average end to end time of 82 weeks (from receipt of referral to completion works) and 1 Financial Assistance grant.

Number of Disabled Facilities Grant applications received

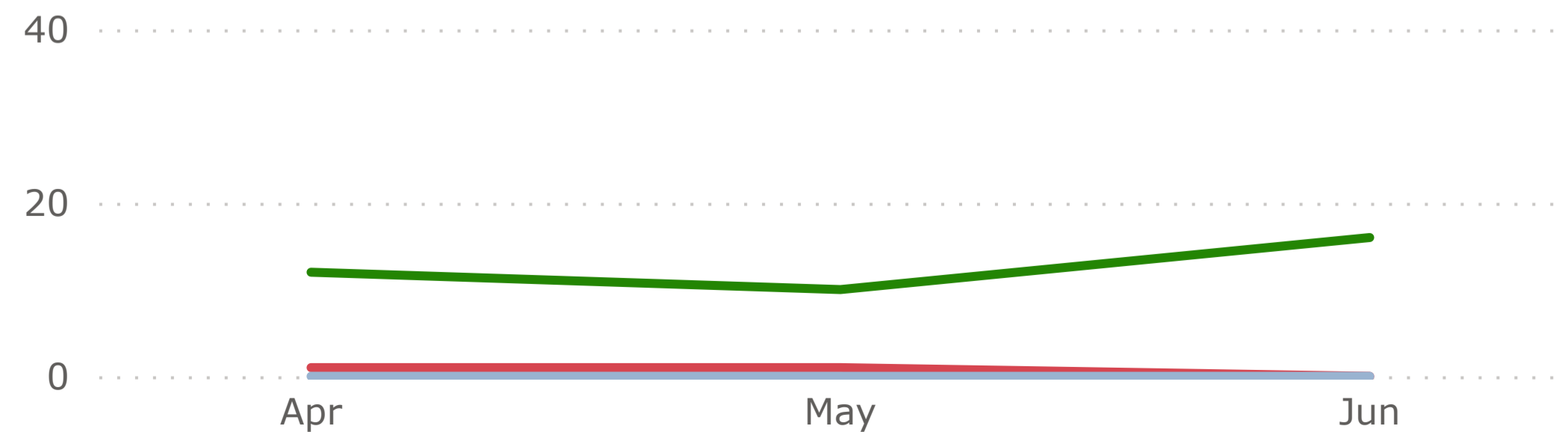
● Number of new fast-track grant ap... ● Number of new mandatory ... ● Number of new othe...



- 21-22
- 22-23
- 23-24

Number of new Disabled Facilities Grant applications approved

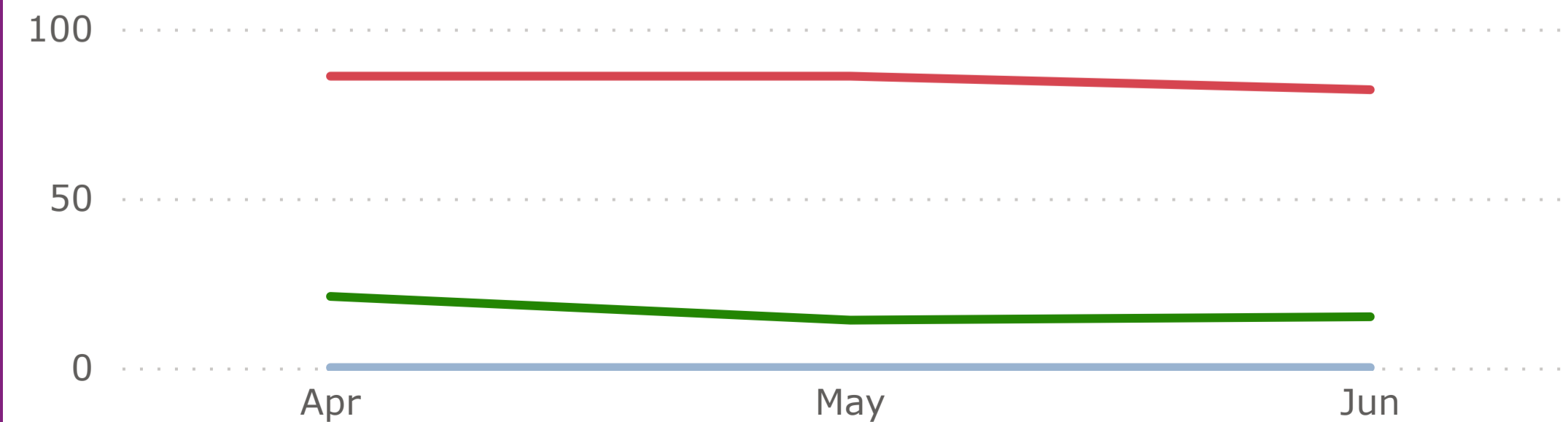
● Number of new fast-track gra... ● Number of new mandat... ● Number of new ot...



- 21-22
- 22-23
- 23-24

Average time taken to process Disabled Facilities Grants from received to works completed (weeks)

● Average time taken to process f... ● Average time taken to ... ● Average time tak...



- 21-22
- 22-23
- 23-24

15. Housing and Strategic Health

Latest Data Period:

June 2023

Commentary or Summary

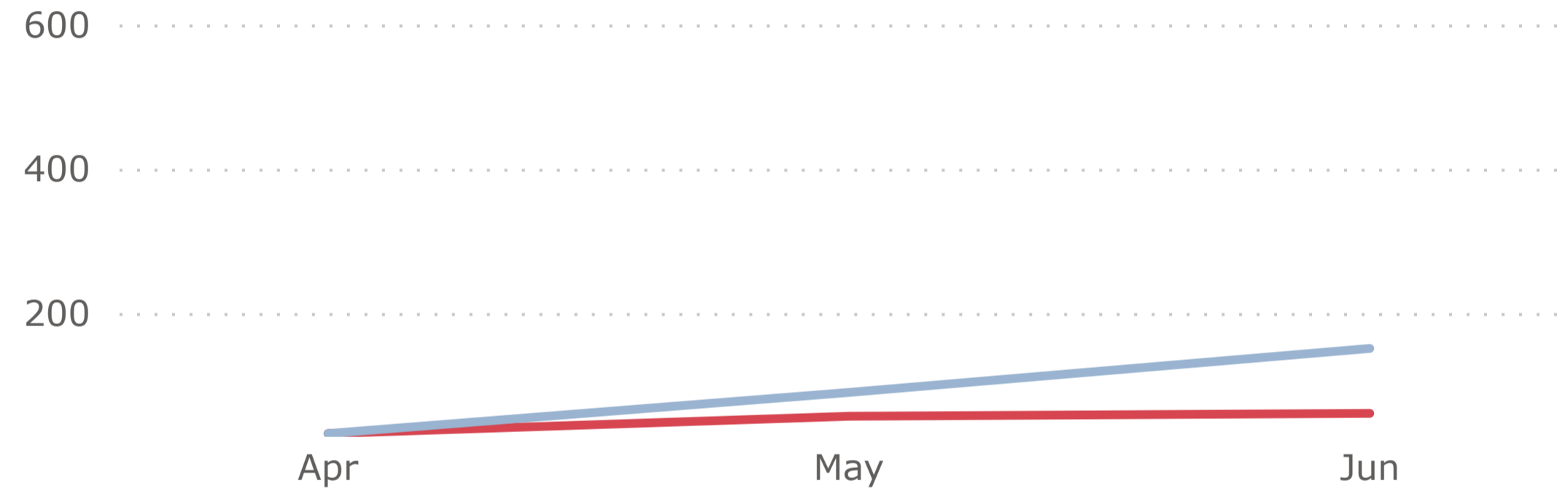
Number of new noise complaints received: 61 received, 19 completed and 42 outstanding in June 2023. Noise complaints generally rise as we move through the spring into the summer months as people tend to have their windows open so are more impacted by external noise, at the same time people are spending more time outdoors in the nicer weather.

Number of noise complaints resolved: 40 resolved, 36 (90%) in target, 4 (10%) out of target in June 2023. Number of complaints resolved in June 2023 is slightly down on May 2023 (57 resolved), but the percentages in and out of target are both identical to May (90% and 10% respectively). This is encouraging as there had been a noticeable dip in April ((25 resolved, 20 (80% in target) and 5 (20% out of target)), so that dip appears to be isolated and now reversed.

Page 33

Number of new noise complaints received

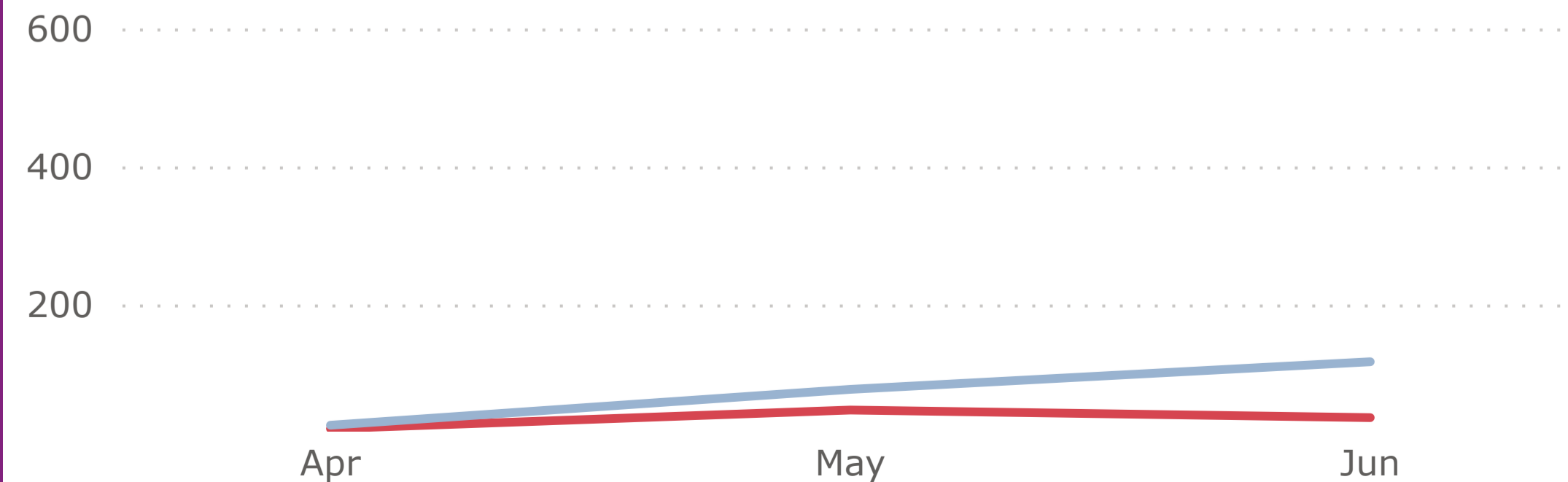
● Number of new noise complaints received. ● Number of new noise complaints received (YTD).



- 21-22
- 22-23
- 23-24

Number of noise complaints that were resolved within the allocated timescales

● Number of noise complaints resolved. ● Number of noise complaints resolved (YTD).



- 21-22
- 22-23
- 23-24

16. Housing and Strategic Health

Latest Data Period:

June 2023

Commentary or Summary

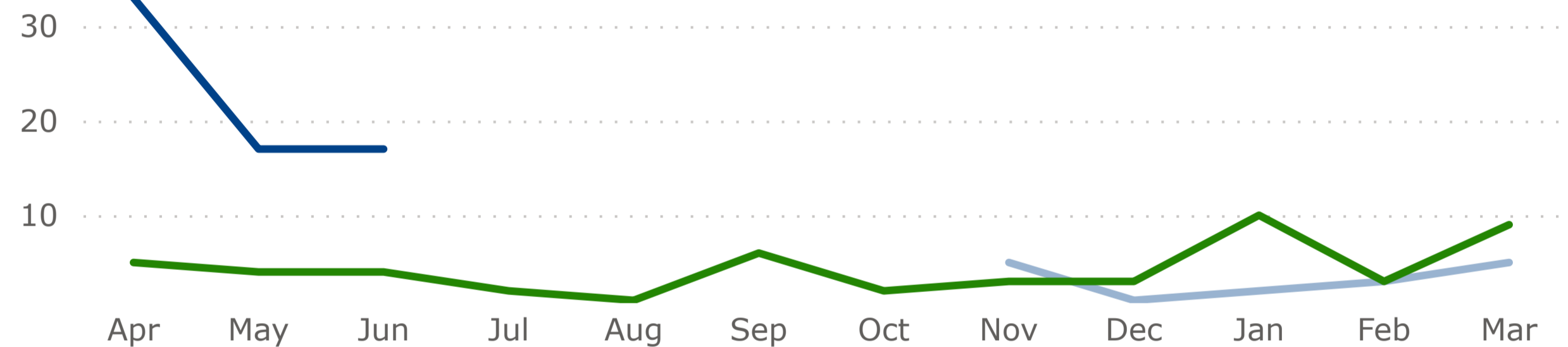
Number of Housing Health and Safety Rating System hazards are removed or reduced*: Across 9 properties in June 2023, 2 Category 1 hazards for 'Excess Cold' and 'Falls on Stairs' were removed and 15 Category 2 hazards were reduced:

- 5 - Damp and Mould
- 1 - Space/Security/Light
- 2 - Electrical hazards
- 1 - Fire
- 4 - Other

*This figure will fluctuate from month to month and it is dependent on when

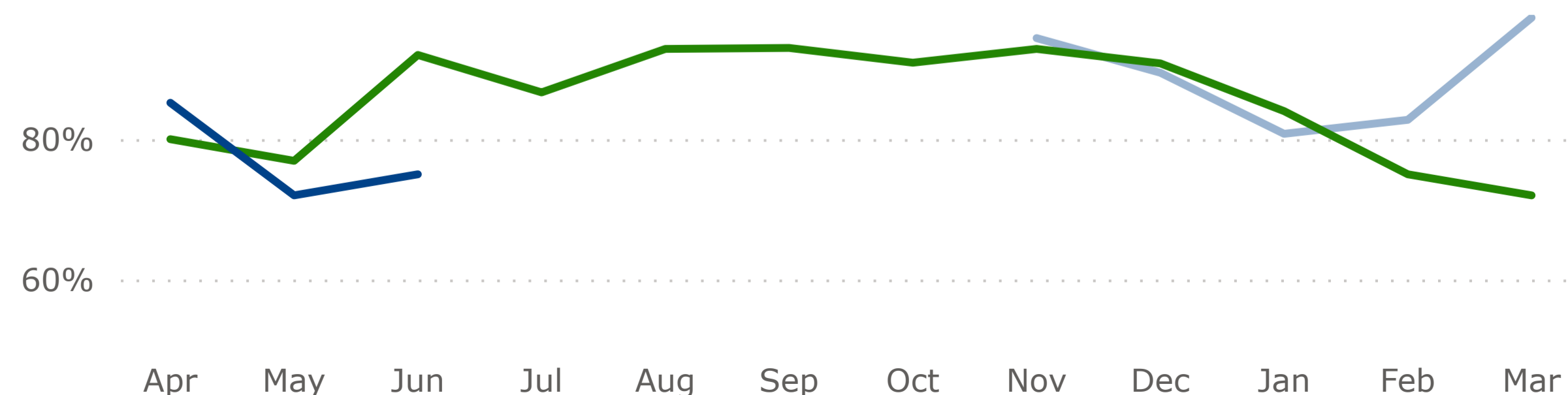
Number of Housing Health and Safety Rating System hazards removed or reduced

Financial Year ● 21-22 ● 22-23 ● 23-24



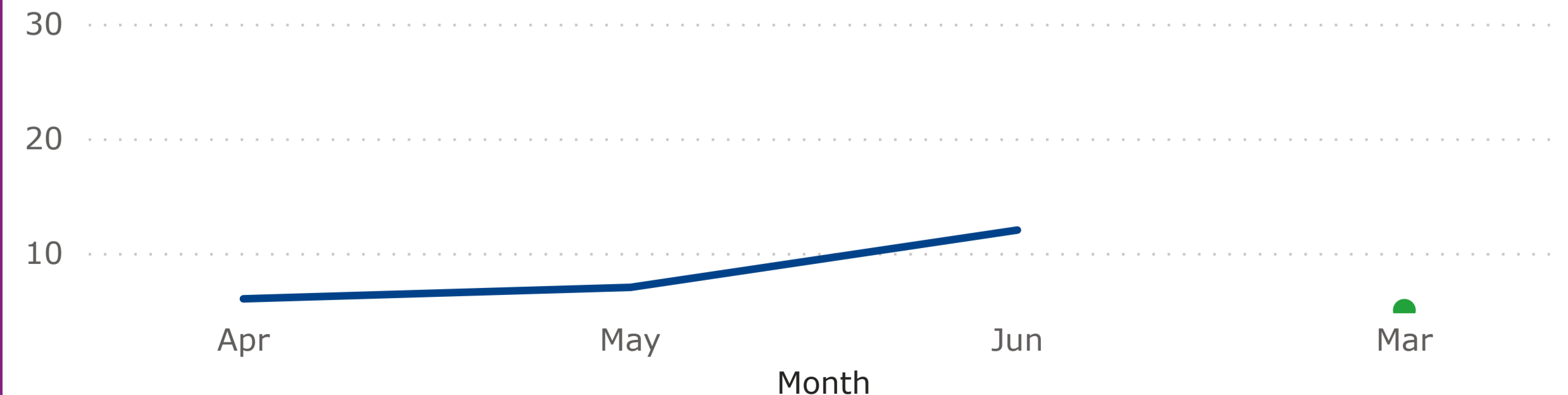
Percentage of housing complaints received that were resolved within the allocated timescales

Financial Year ● 21-22 ● 22-23 ● 23-24



Number of damp and mould hazards identified through HHSRS

Financial Year ● 22-23 ● 23-24



17. Housing and Strategic Health

Latest Data Period:

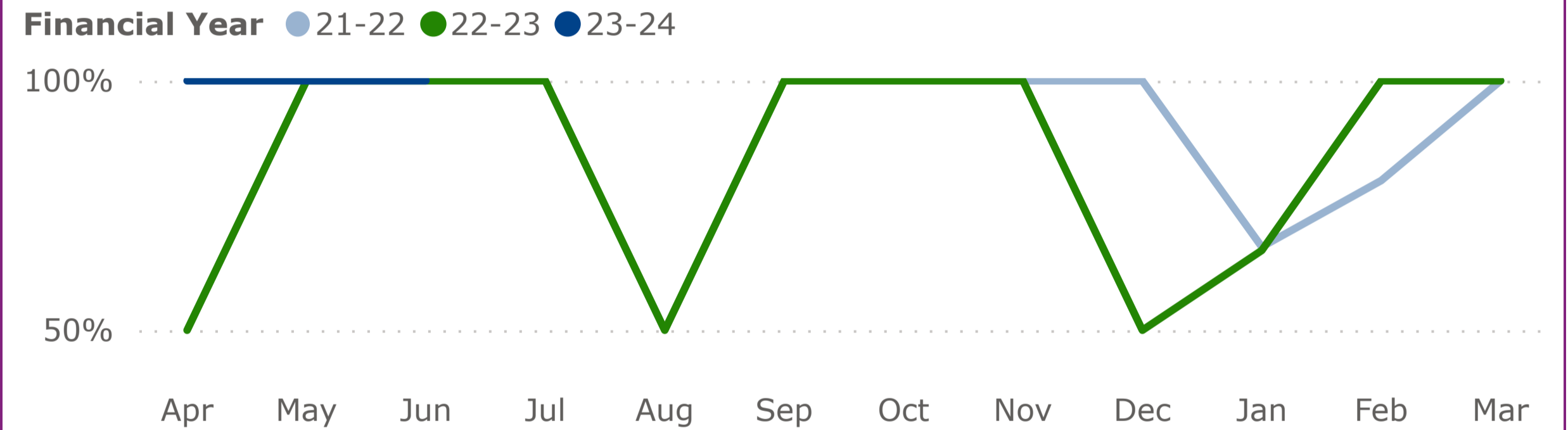
June 2023

Commentary or Summary

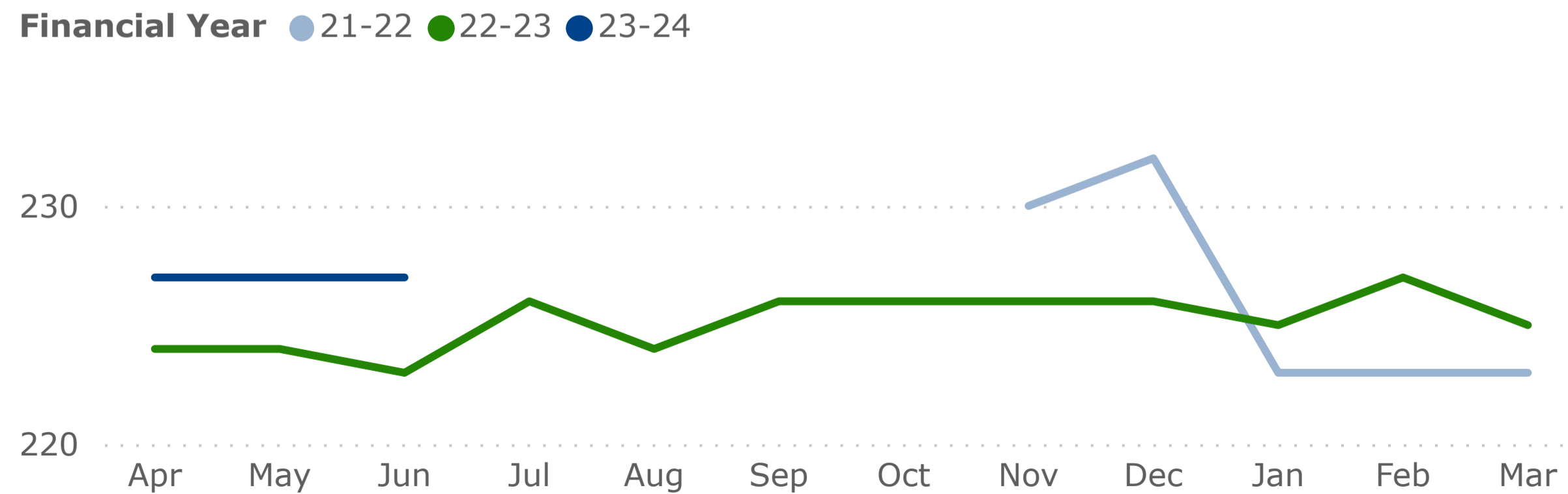
Percentage of HMO (Houses of Multiple Occupancy) complaints received that were resolved within the allocated timescales: There were no complaints received during June 2023 relating to HMO's and no HMO complaints were resolved.

Page 95

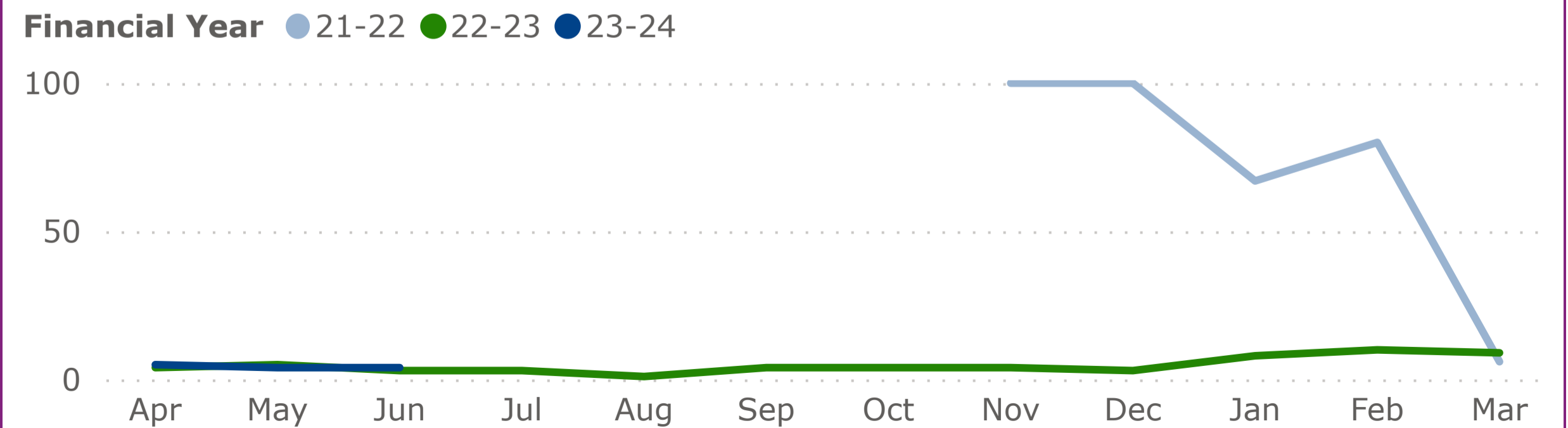
Percentage of HMO complaints received that were resolved within the allocated timescales



Number of HMOs in West Suffolk



Number of HMO licence and renewal applications currently being processed



18. Housing and Strategic Health

Latest Data Period:

June 2023

Commentary or Summary

Number of proactive HMO (Houses of Multiple Occupancy) investigations carried out on previously unknown HMOs and then brought up to standard:

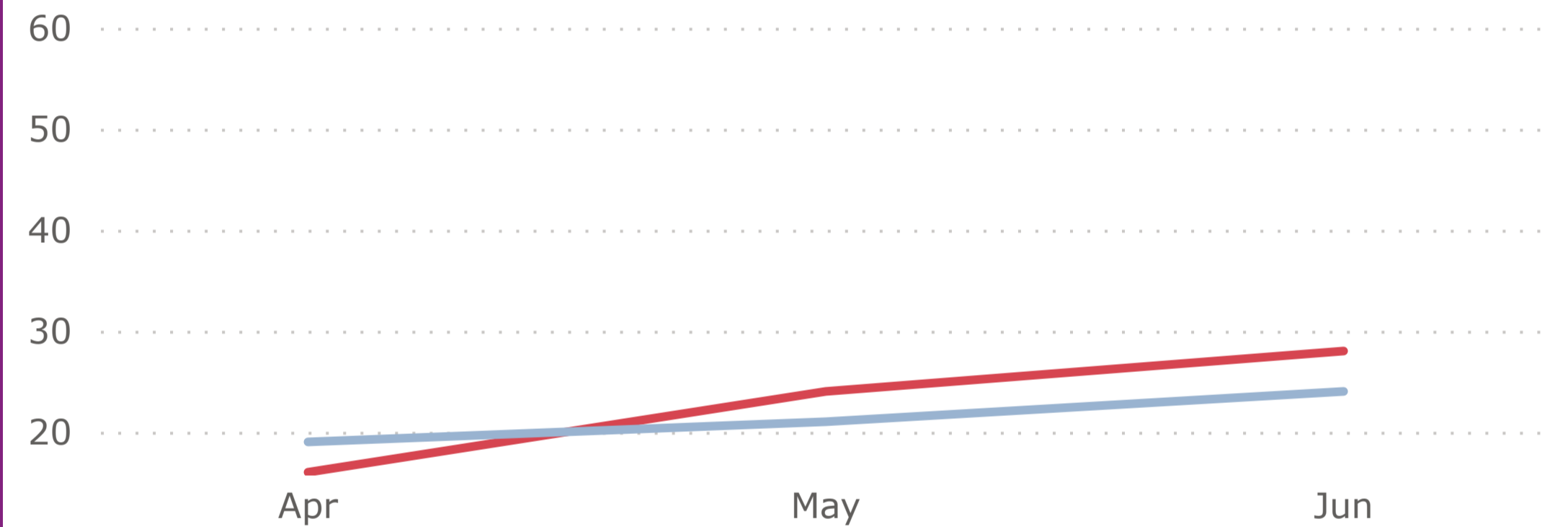
We have not received any intelligence from partners or undertaken any targeted any properties for pro-active investigation. Stakeholders in March 2023 been reminded to contact us if they have concerns as part of update communication on our HMO review. We continue to work closely with our partner organisation such as the Police, Modern Day Slavery Team and the Fire Service to investigate suspected HMO complaints when they arise.

Number of Public Health cases received: 28 Public Health cases received in June 2023, 15 completed, 13 outstanding.

Number of Public Health cases resolved: 26 Public Health cases resolved in June 2023, 24 (92.31%) achieved in target, 2 (7.69%) out of target.

Number of Public Health cases received and resolved

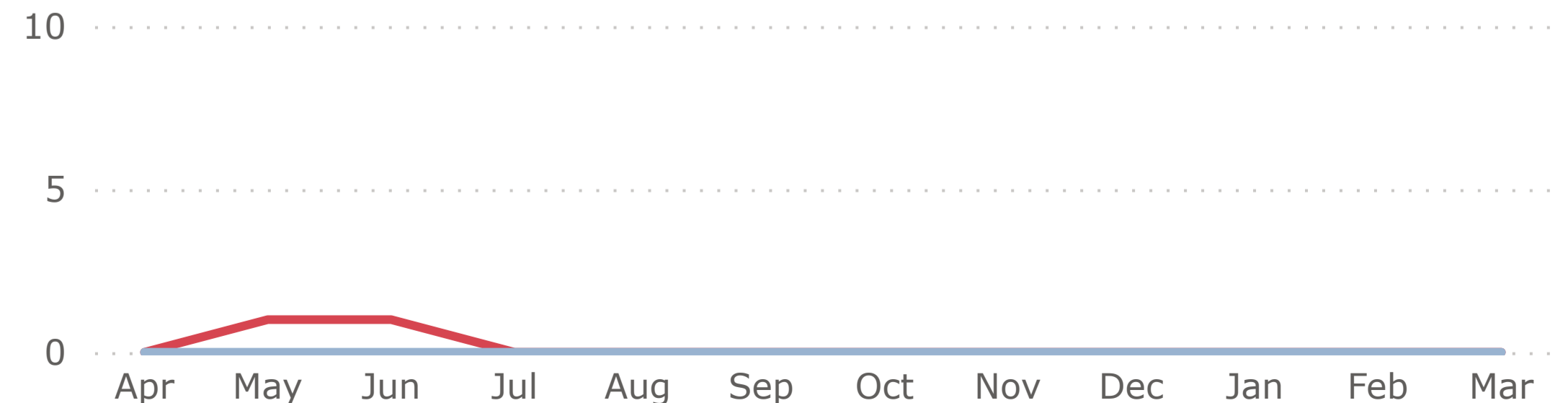
● Number of Public Health cases received. ● Number of Public Health resolved.



- 21-22
- 22-23
- 23-24

Number of pro-active HMO investigations carried out on previously unknown HMOs and brought up to standard

● Number of pro-active HMO investigations carried out on ... ● Number of previously unknown ...



- 21-22
- 22-23
- 23-24

19. Housing and Strategic Health

Latest Data Period:

June 2023

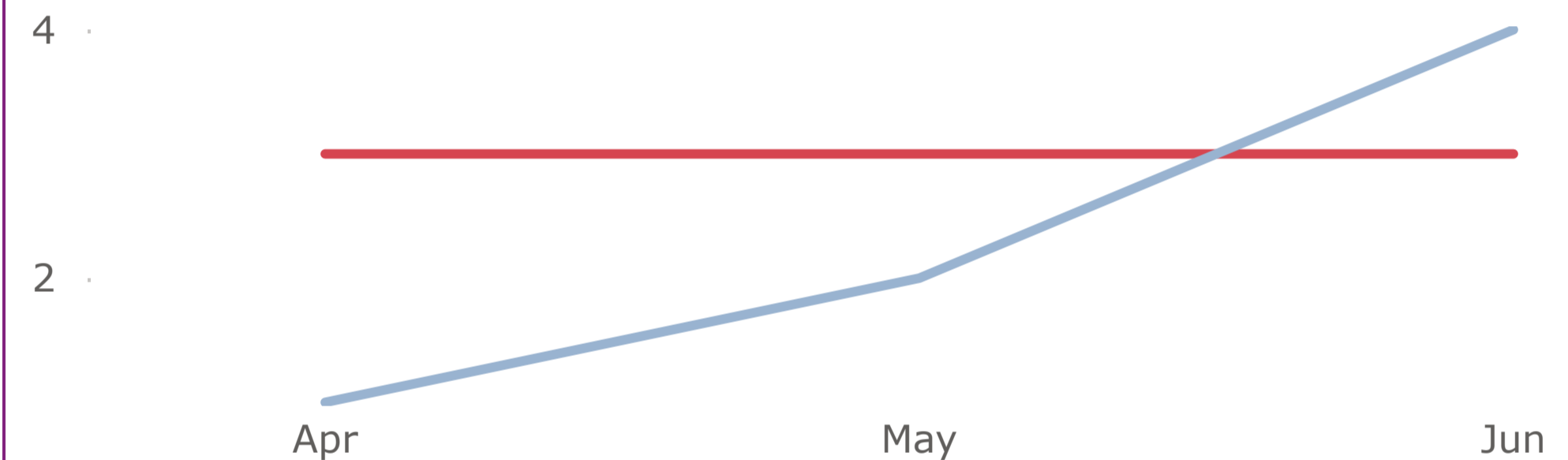
Commentary or Summary

Number of licensed and non-licensed HMO (Houses of Multiple Occupancy) inspections allocated: These figures vary from month to month depending on how many properties arise per month through our risk rated inspection programme.

Page 97

Number of non-licensed HMO inspections carried out and allocated

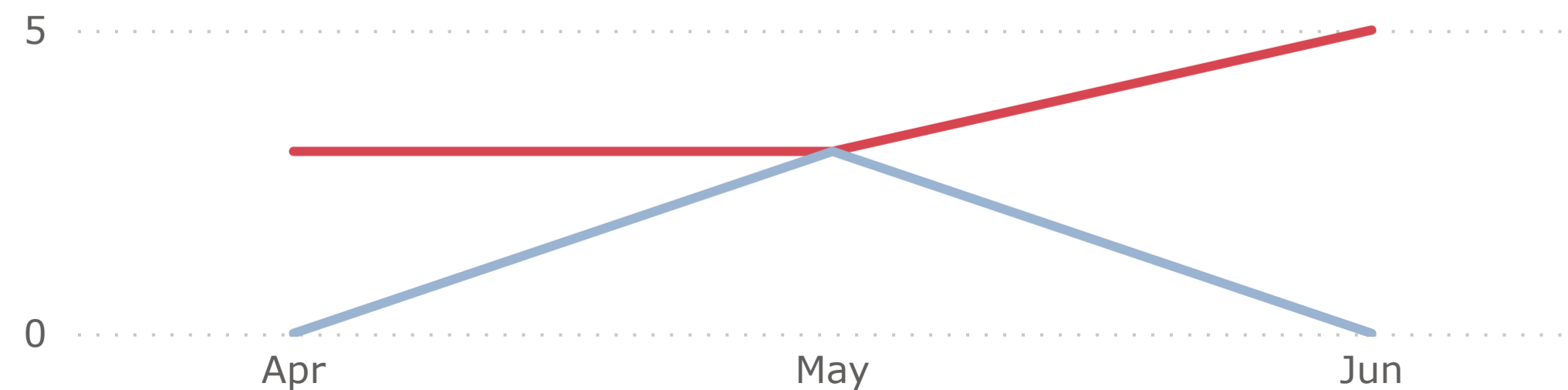
● Number of non-licensed HMO inspections carried out. ● Number of non-licensed HMO inspection...



- 21-22
- 22-23
- 23-24

Number of licensed HMO inspections carried out and allocated

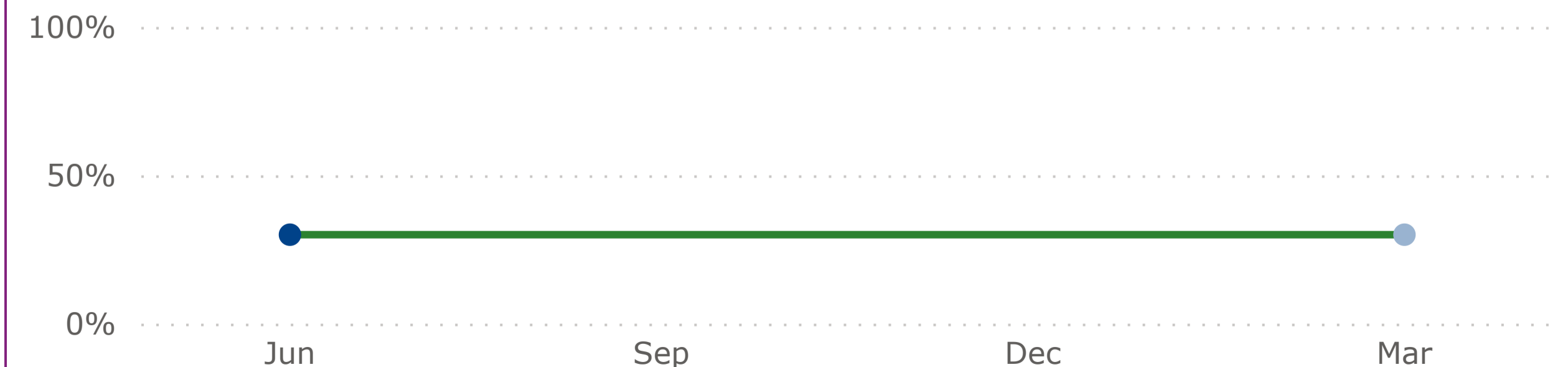
● Number of licensable HMO inspections carried out. ● Number of licensed HMO inspection...



- 21-22
- 22-23
- 23-24

Percentage of affordable housing units delivered on sites of 10 or more units

Financial Year ● 21-22 ● 22-23 ● 23-24



20. Resources and Property

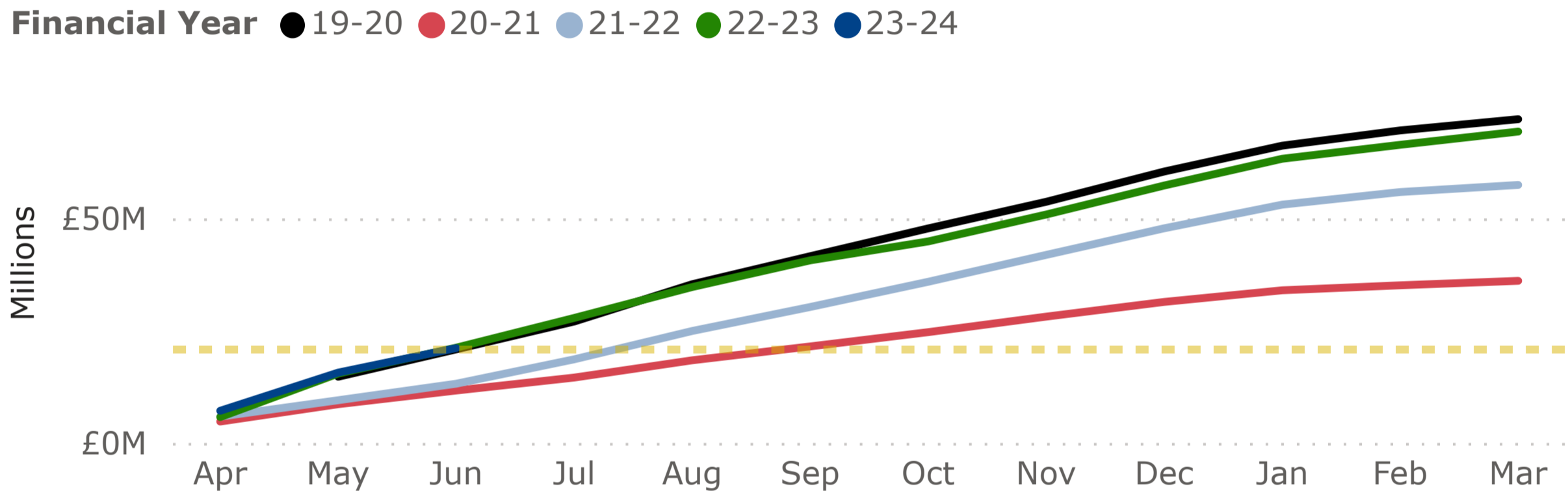
Latest Data Period:
June 2023



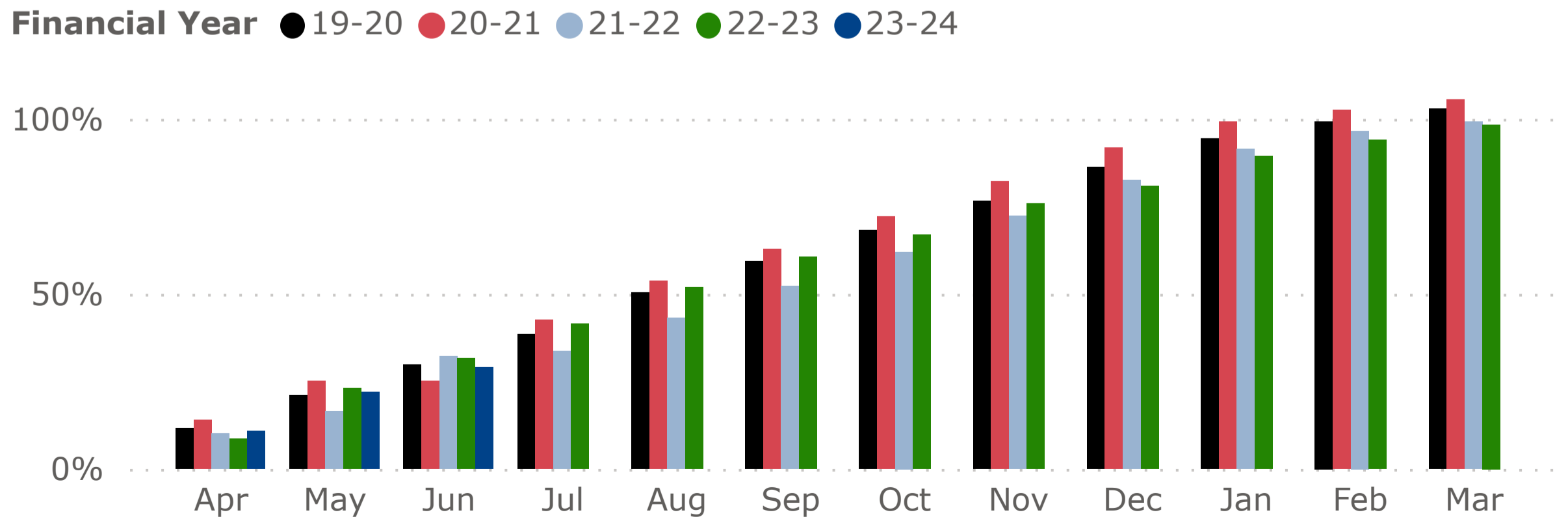
Commentary or Summary
Collection at the end of Q1 is above target by £328,759 with £21,120,477 collected.

Page 98

Amount of business rates collected (YTD)



Percentage collection of business rates



21. Resources and Property

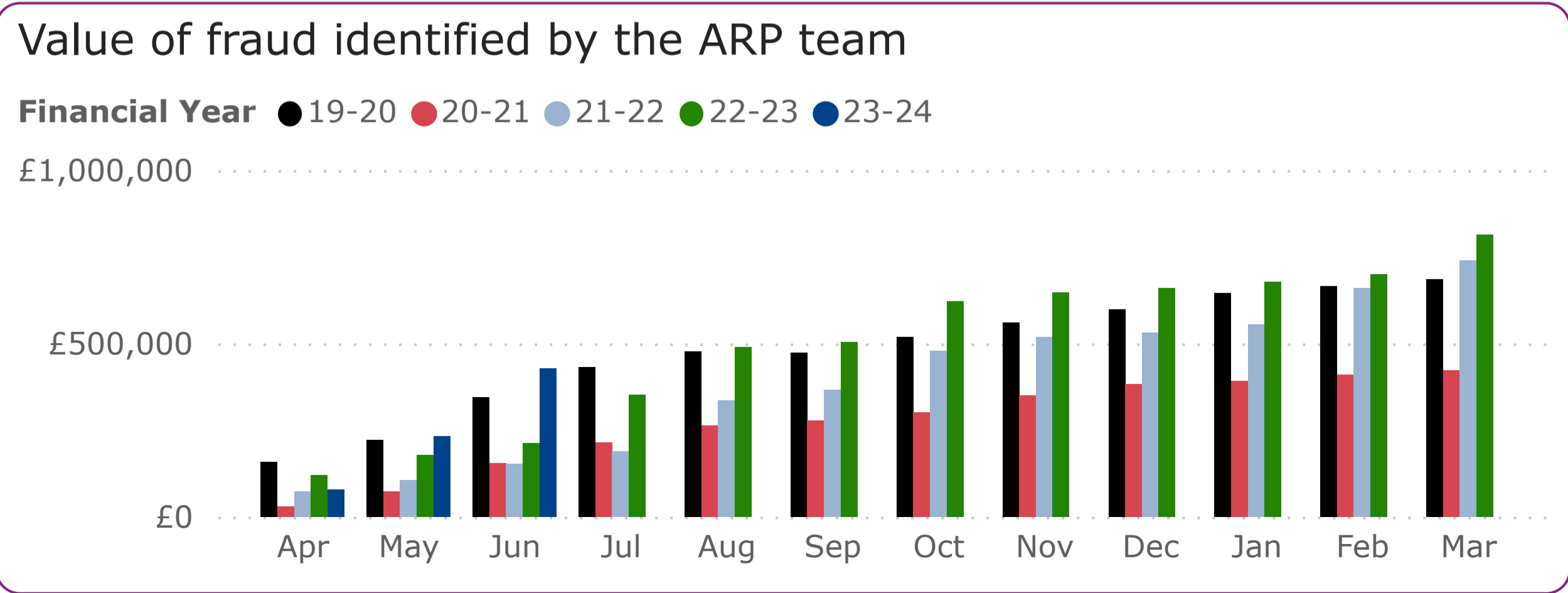
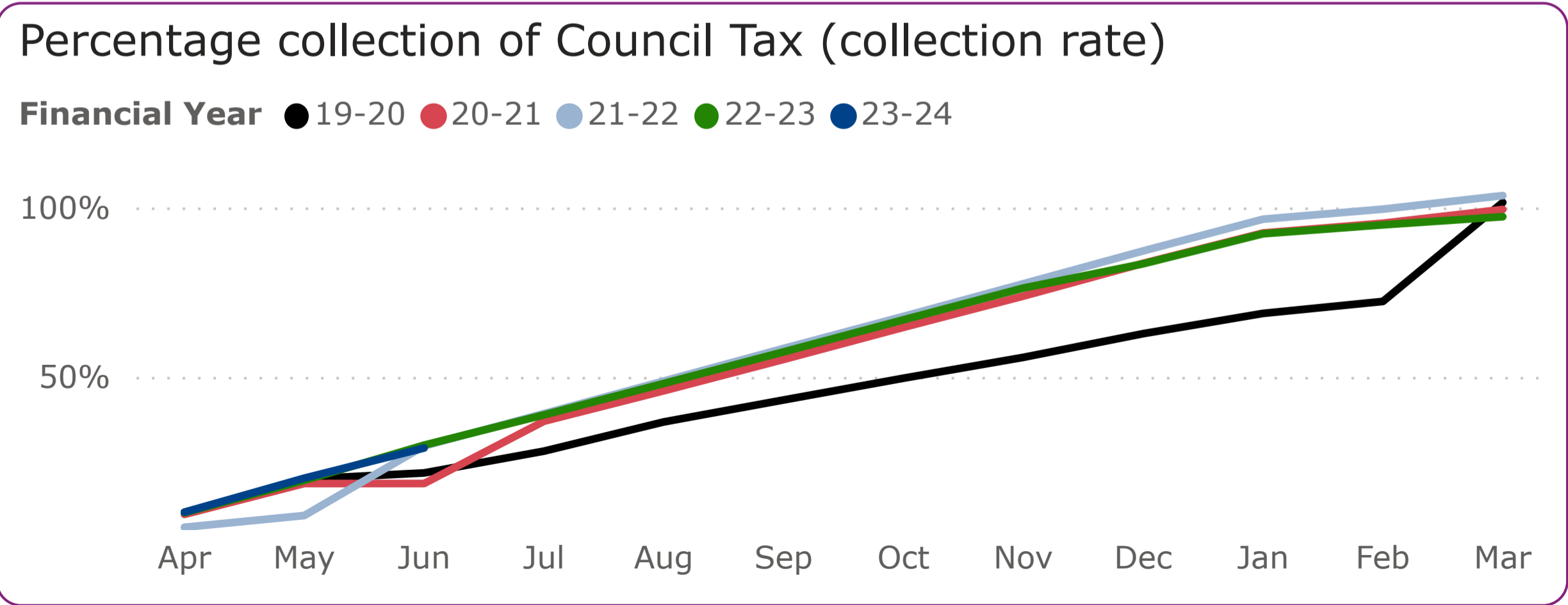
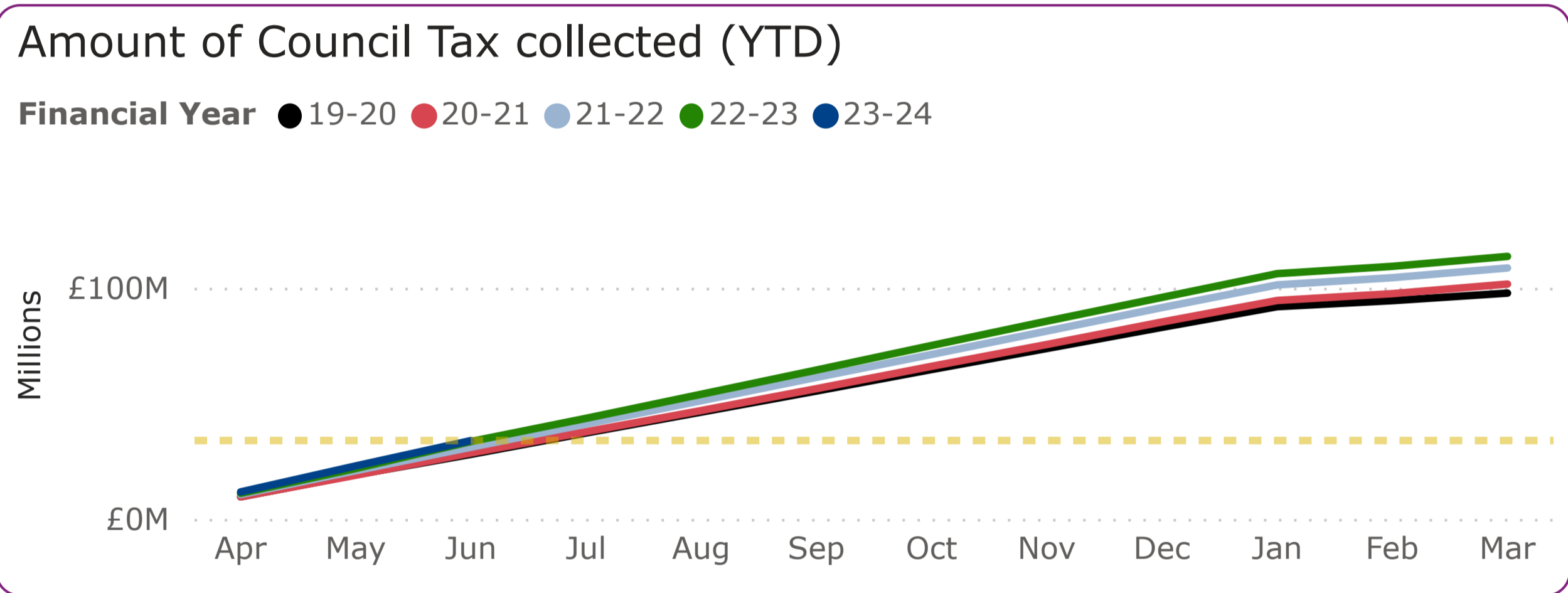
Latest Data Period:
June 2023



Commentary or Summary

Amount of Council Tax collected (YTD): Collection is on target at the end of Q1 with £33,913,141 collected.

Page 99



22. Resources and Property

Latest Data Period:
June 2023

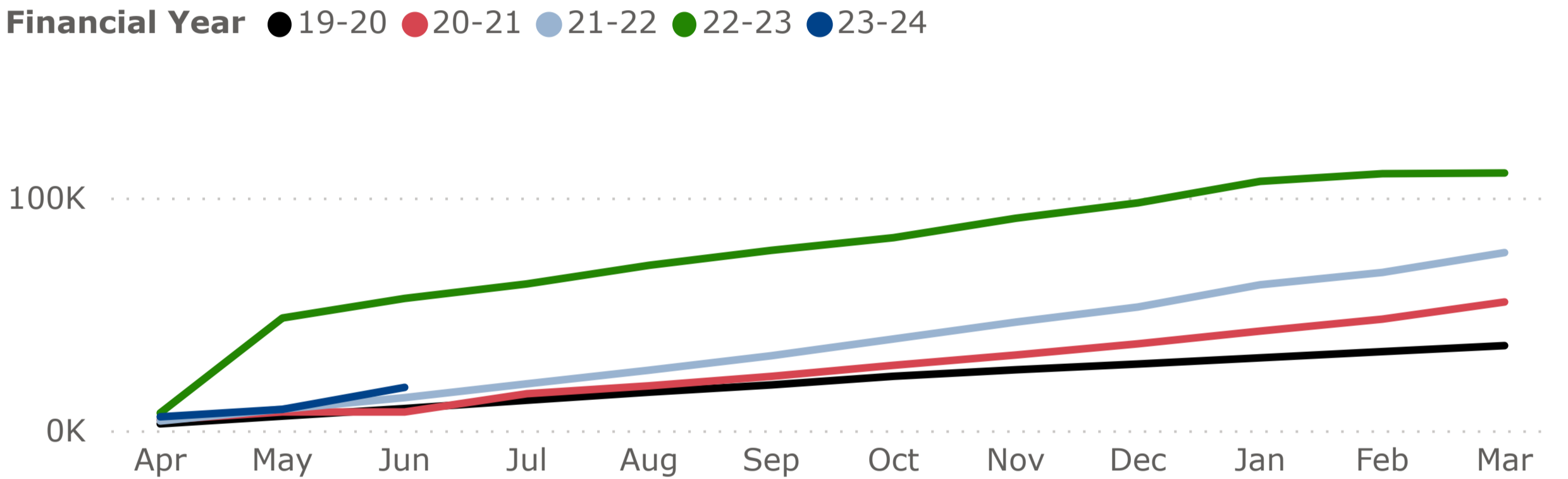


Commentary or Summary

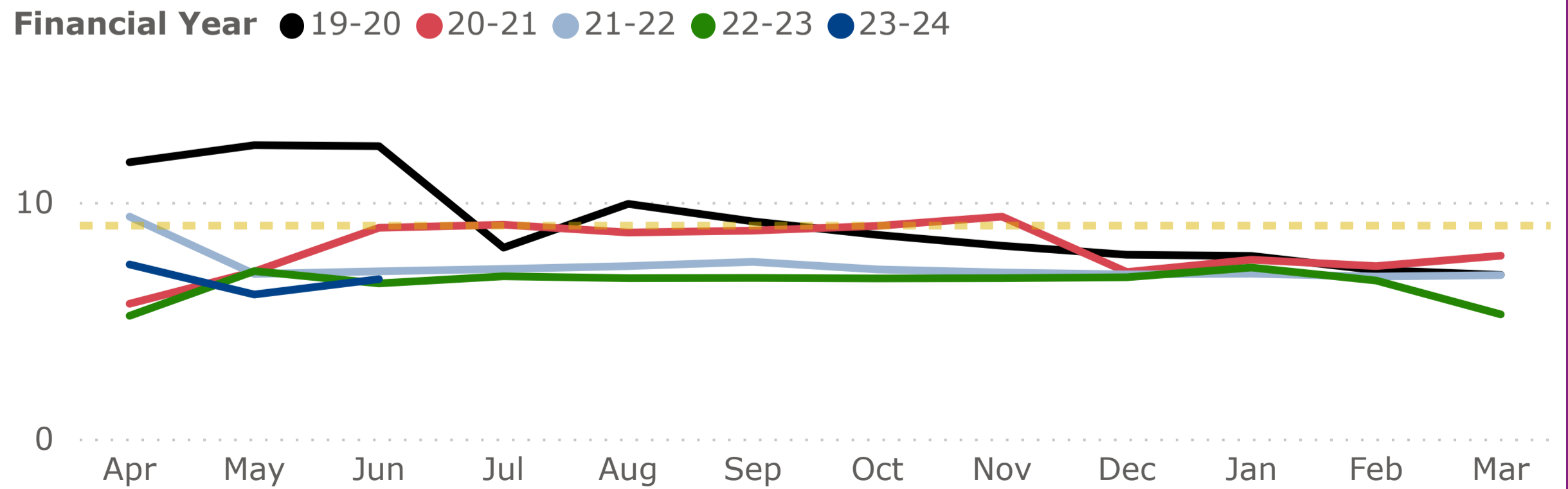
The number of e-forms received relates to both Benefits and Council Tax. This figure reflects the total number of e-claims received for all partners combined within the Anglia Revenues Partnership and includes 37,488 Energy Rebate Applications. The breakdown by partner council is not yet available. In addition to this, there is also a large amount of electronic data being received from DWP.

The time taken to process claims for the Local Council Tax Reduction Scheme and Housing Benefit remains within the acceptable range of around 6 days for LCTRS claims and 10 days for HB claims. The average number of days taken to process Housing Benefit new claims and changes combined as at the end of Q1 was 10.85

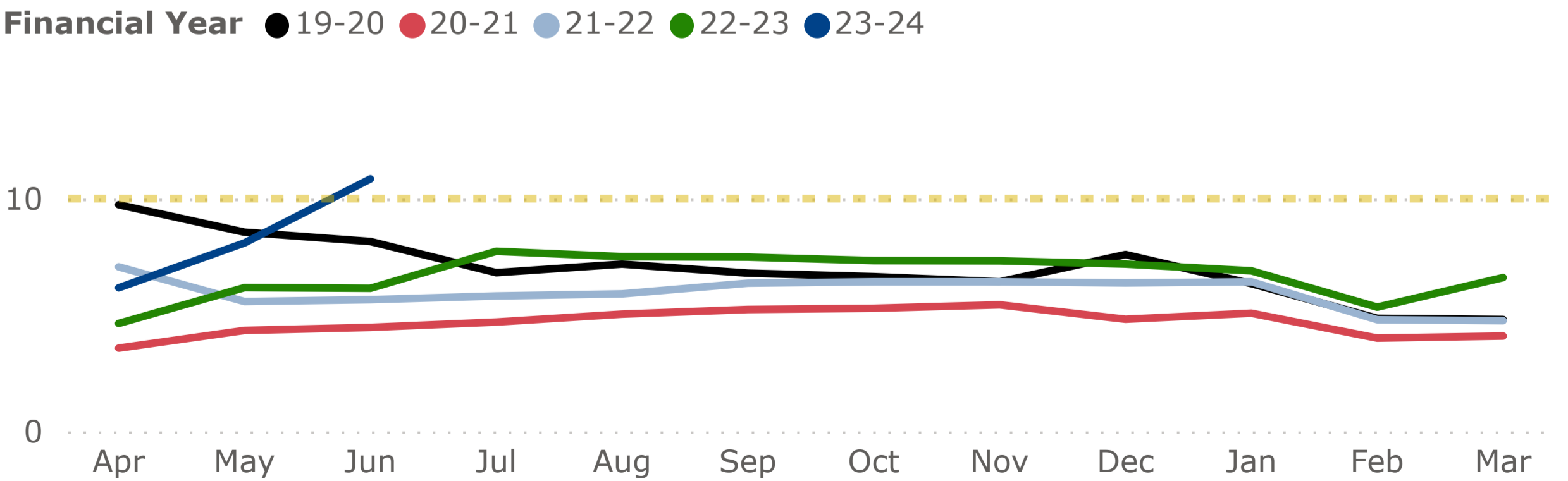
Number of e-forms received (YTD)



Days taken to process Local Council Tax Reduction Scheme claims



Days taken to process Housing Benefit claims



23. Resources and Property

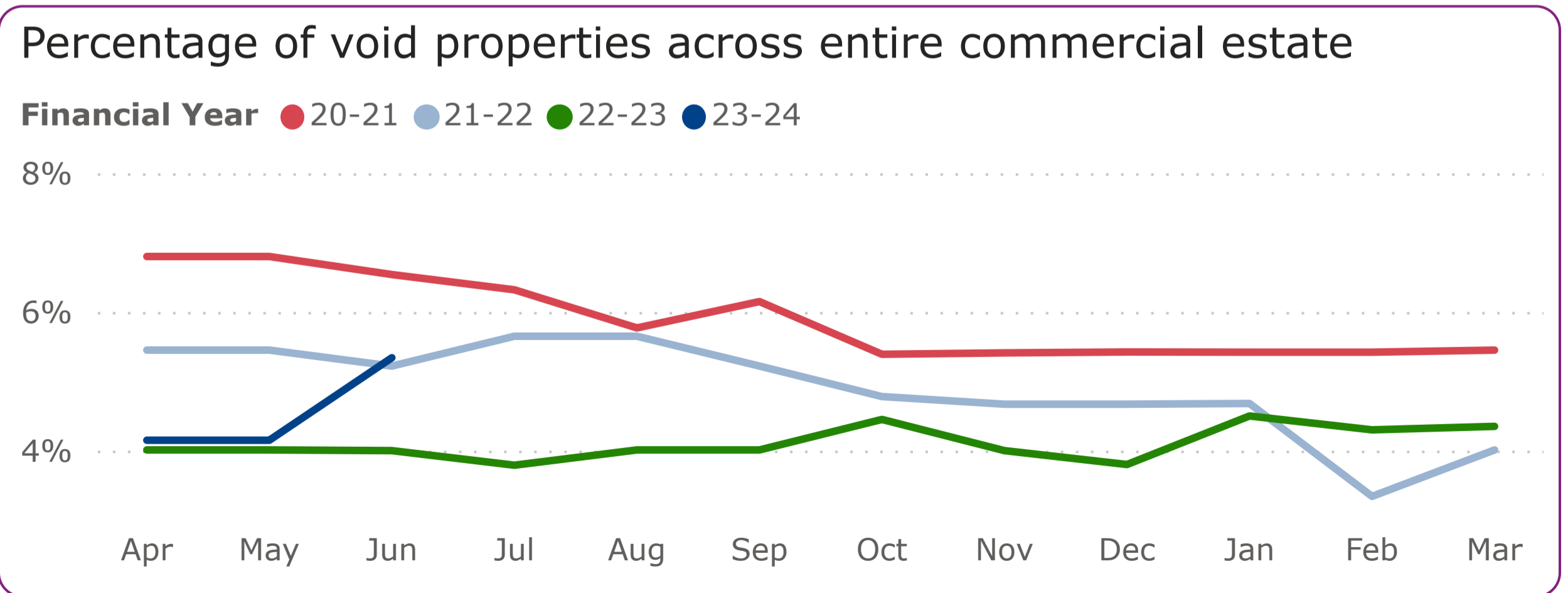
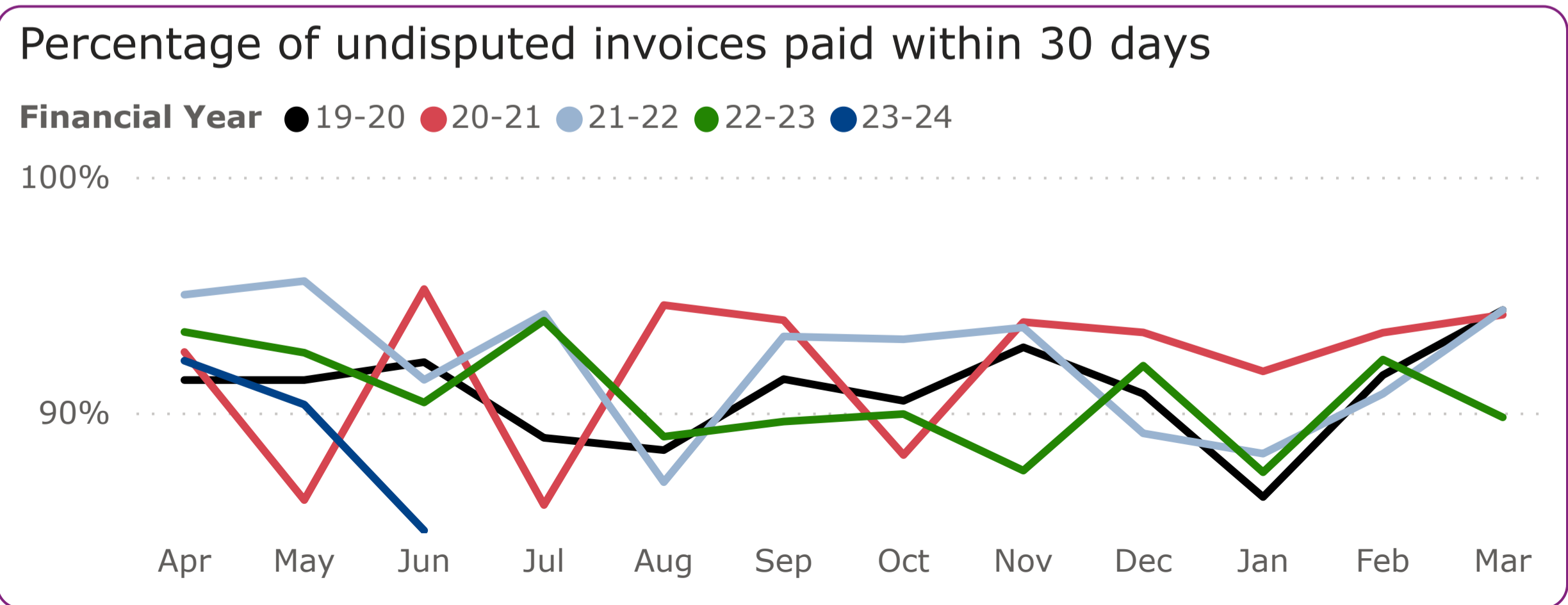
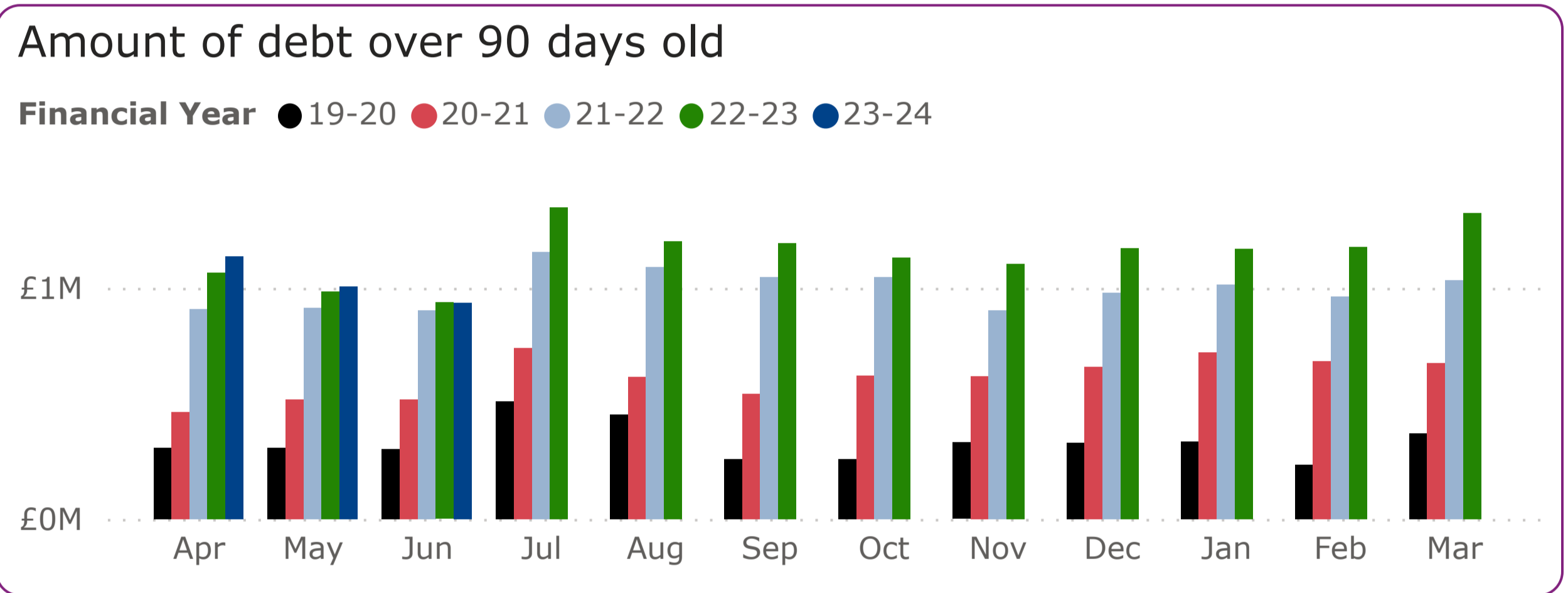
Latest Data Period:
June 2023



Commentary or Summary

Amount of debt over 90 days old: Total debt over 90 days has decreased as one of the major property debtors has been placed on a payment plan and there has been some settlement of older facilities.

Percentage of void properties across entire commercial estate: Void rates are comfortably below the market average for a commercial portfolio (10%) reflecting our pro-active management approach, and the nature of a portfolio which comprises a significant number of industrial properties. There will be natural fluctuations from month to month as properties are vacated and re-let, this period there has been 5 units returned but 2 have been re-let.



24. Governance

Latest Data Period:

June 2023



Commentary or Summary

Average number sick days lost per FTE: A reduction since May 2023 and the lowest figure since February 2022.

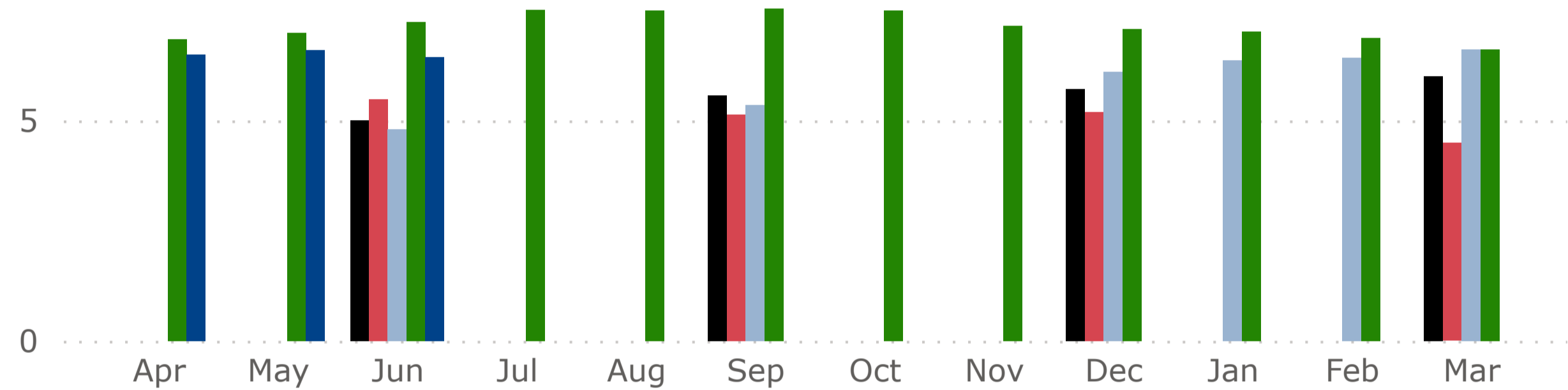
Head count: Increase of four since May 2023.

Number of new starters: There were 13 new starters in June 2023.

Page 102

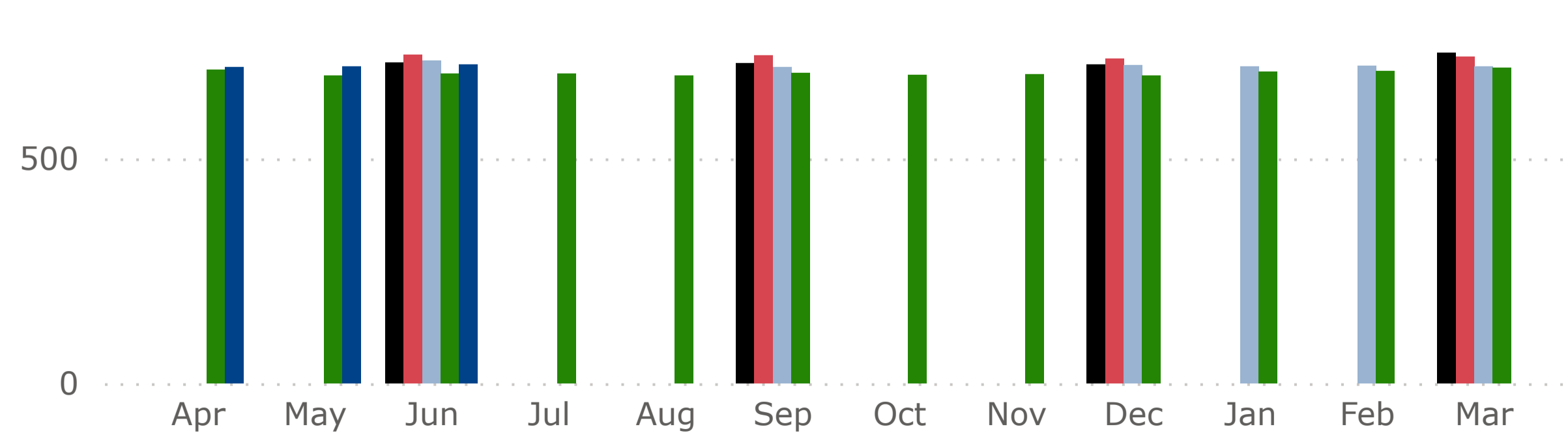
Average number of sick days lost per FTE per year

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



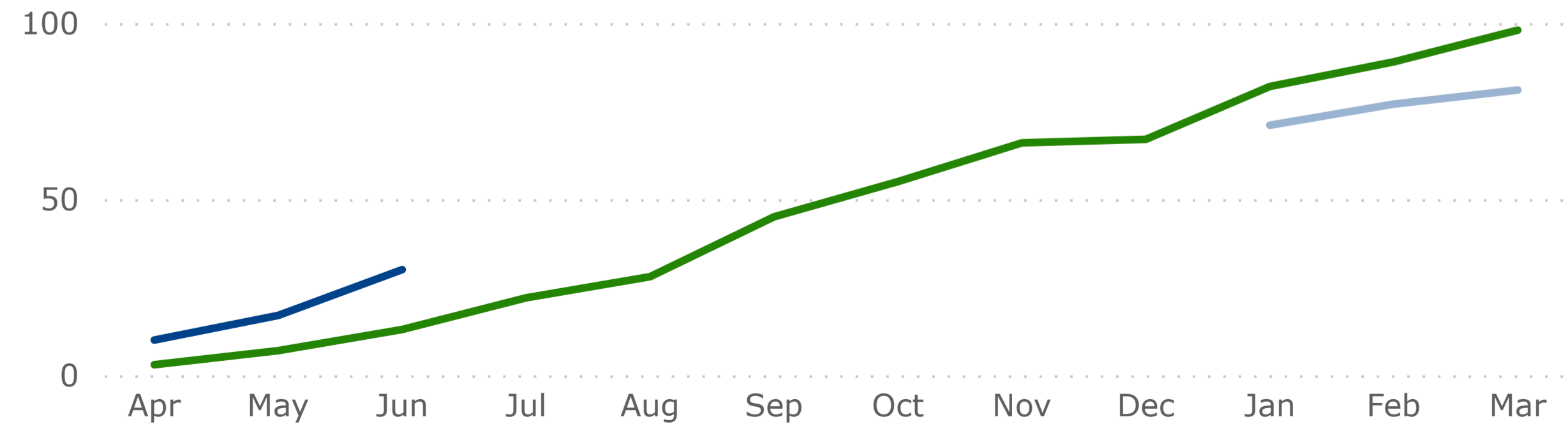
Number of current employees (head count)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of new starters in 12 months to date (YTD)

Financial Year ● 21-22 ● 22-23 ● 23-24



25. Governance

Latest Data Period:

June 2023



Commentary or Summary

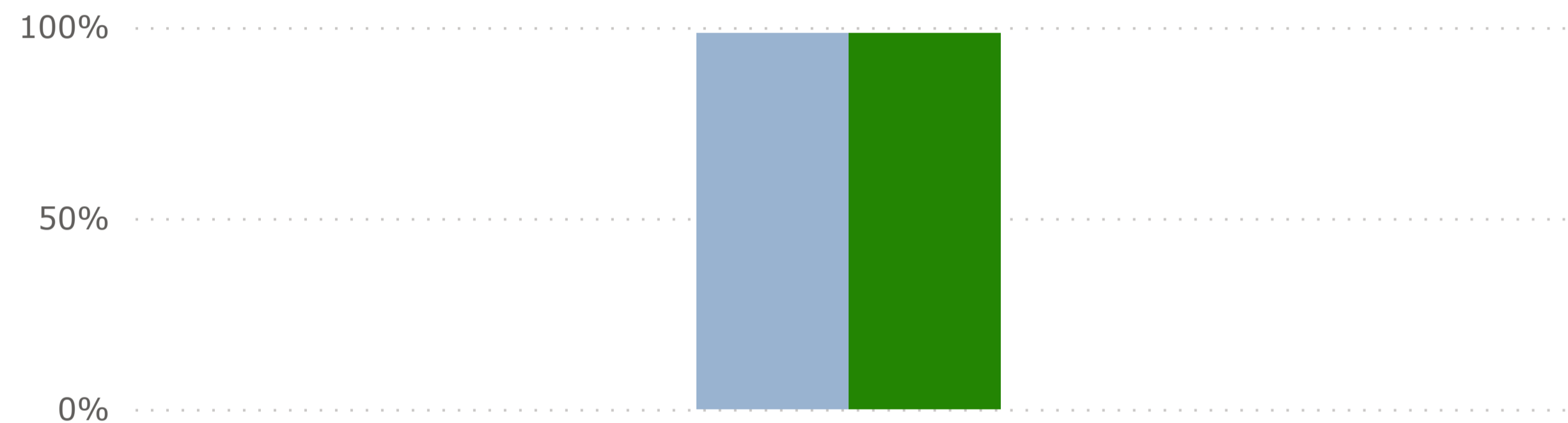
Canvass: A revised electoral register is published on 1 December each year following the annual canvass. In 2020 the canvass approach was reformed nationally and now involves national and local data matching, e-comms via text and email, postal forms, telephone canvassing and door knocking by canvassers.

2021-22 elections were impacted by the COVID pandemic, as elections and referendums could not be held prior to May 2021.

2023

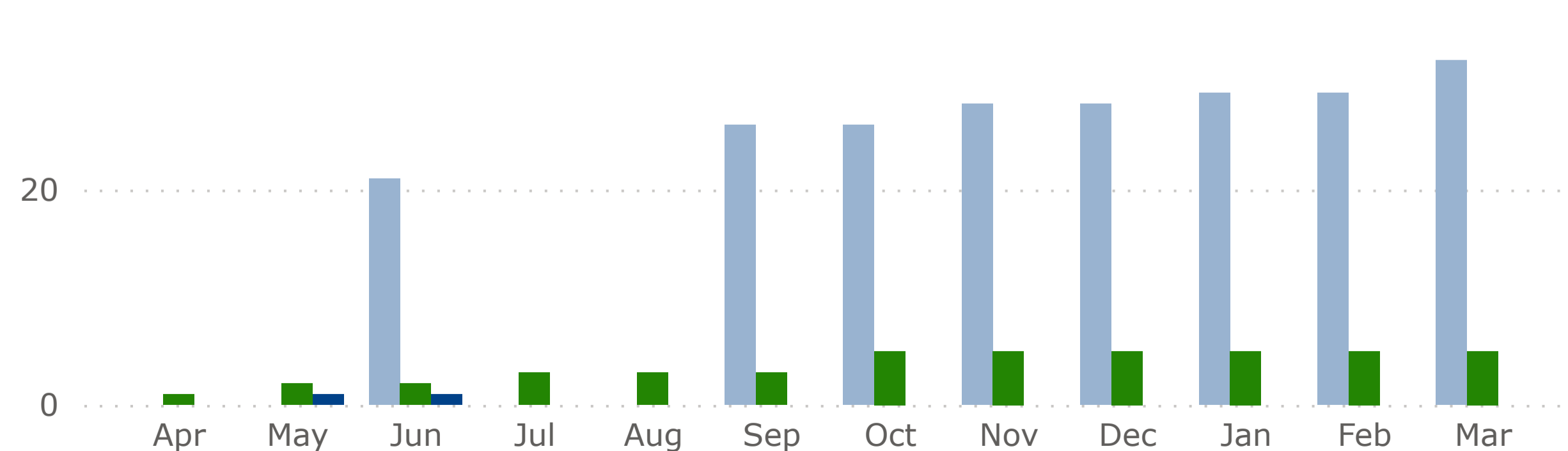
Percentage overall canvass completion

Financial Year ● 21-22 ● 22-23



Number of unscheduled elections and referendums held (YTD)

Financial Year ● 21-22 ● 22-23 ● 23-24



26. Regulatory and Environment

Latest Data Period:

June 2023



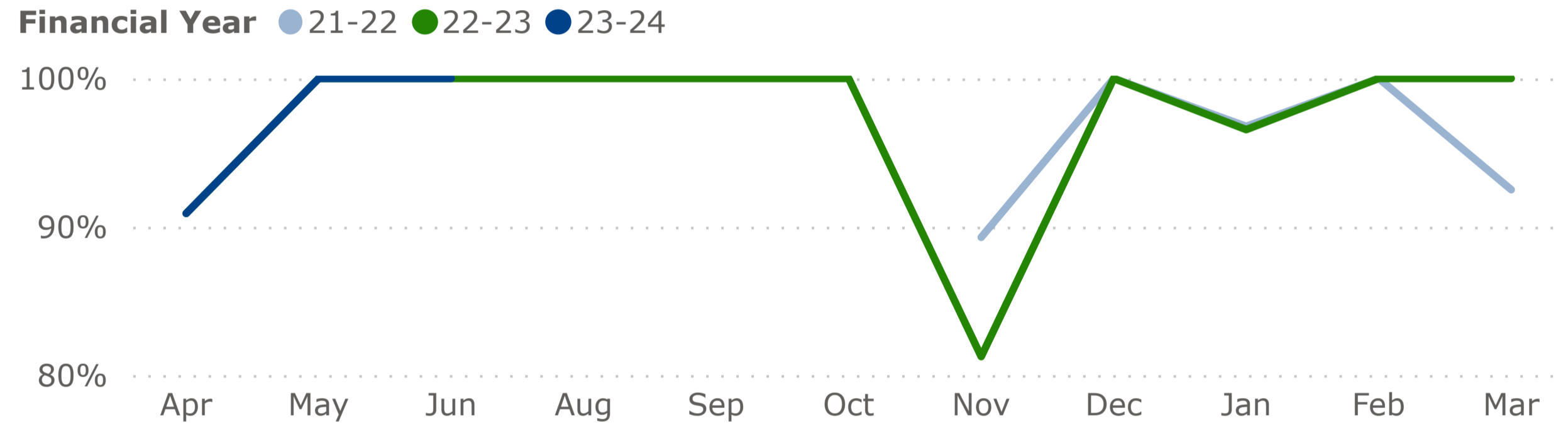
Commentary or Summary

Percentage of poor rated food businesses brought to compliance: All poor rated businesses inspected during March 2023 were compliant during June 2023.

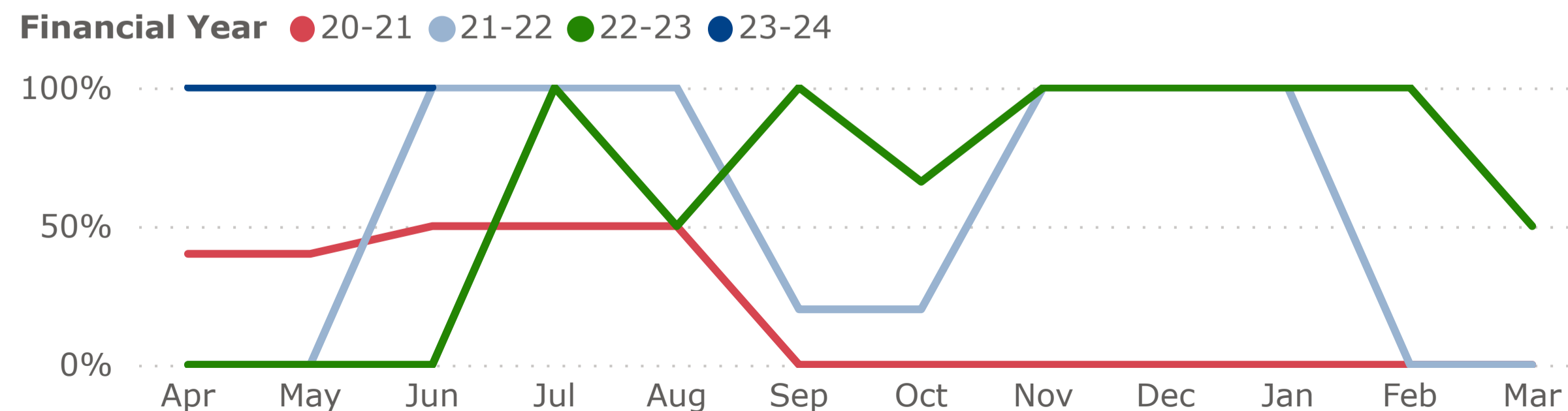
Number of new food premises applying for a new registration licence: 22 new food registrations received in June 2023.

Page 104

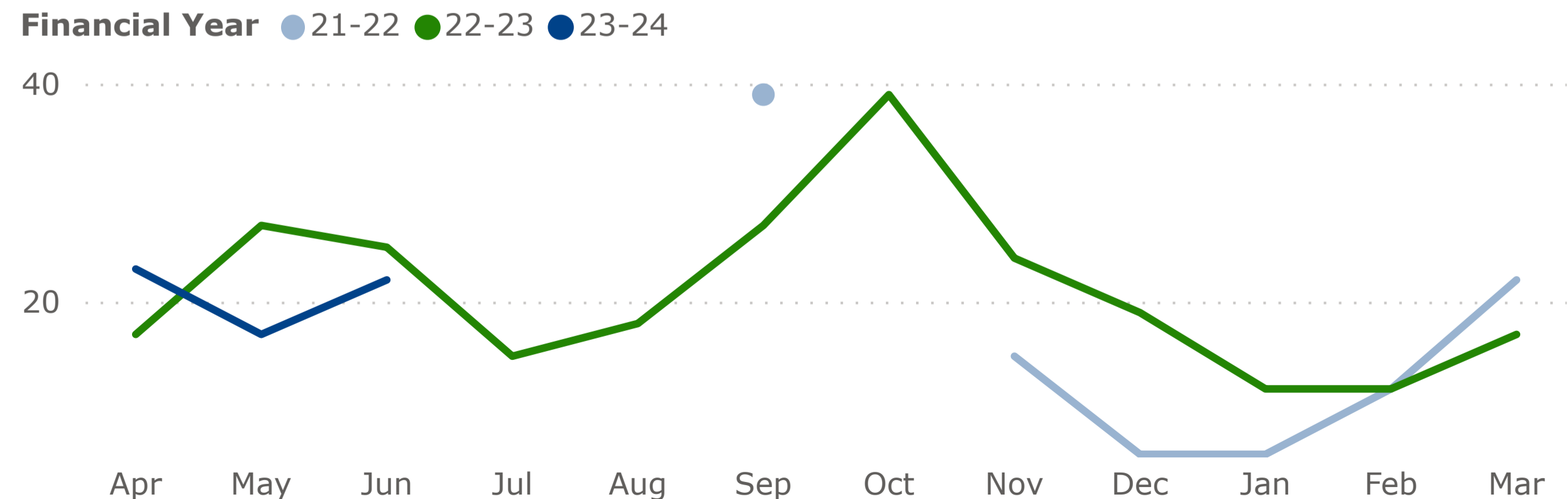
Percentage of complaints and incidents regarding West Suffolk food businesses resolved within three months



Percentage of poor rated food businesses (given rating between 0 and 2) brought to compliance (equivalent to 3 to 5 rating) with council interventions within three months



Number of new food premises applying for a new registration licence



27. Regulatory and Environment

Latest Data Period:

June 2023



Commentary or Summary

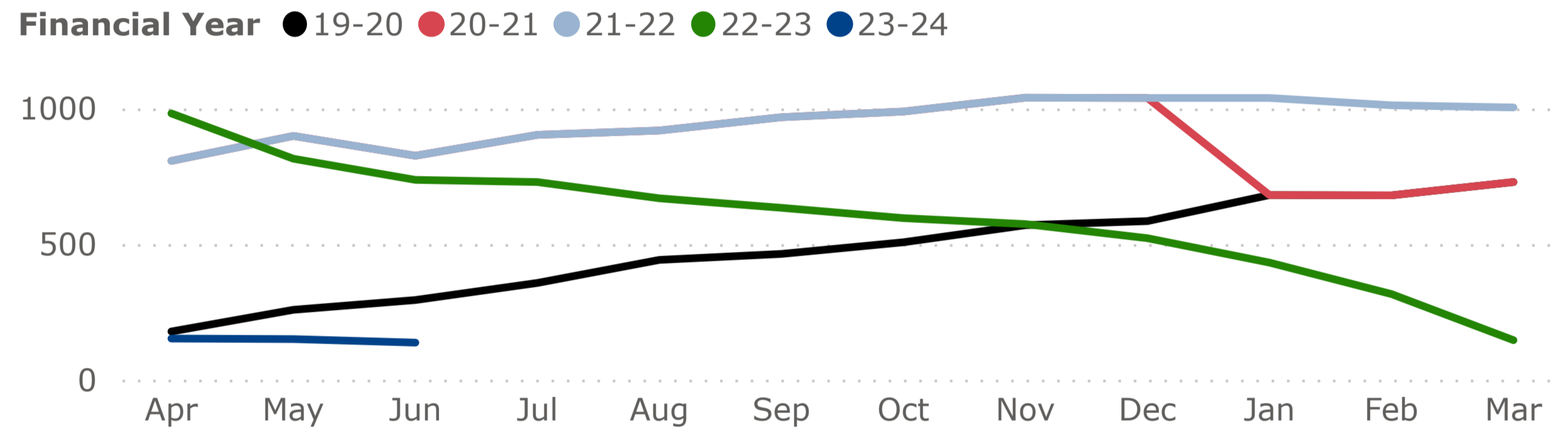
Percentage of broadly compliant food businesses: This continues to compare favourably with both Regional (97.9%) and National (96.9%) figures.

Number of outstanding routine food hygiene inspections due: There were 137 outstanding inspections at 30 June 2023. Food hygiene inspection activity by the CEH team is being carried out in accordance with the Food Standards Agency's post-COVID-19 Recovery Plan and associated guidance. With the plans we have in place for this next year, the current backlog number above will be completed. However, there will always be a small number of rolling number of outstanding as every month new ones become due. Due to staff annual leave, there are 2 B Category inspections outstanding and these will be caught up with in the future.

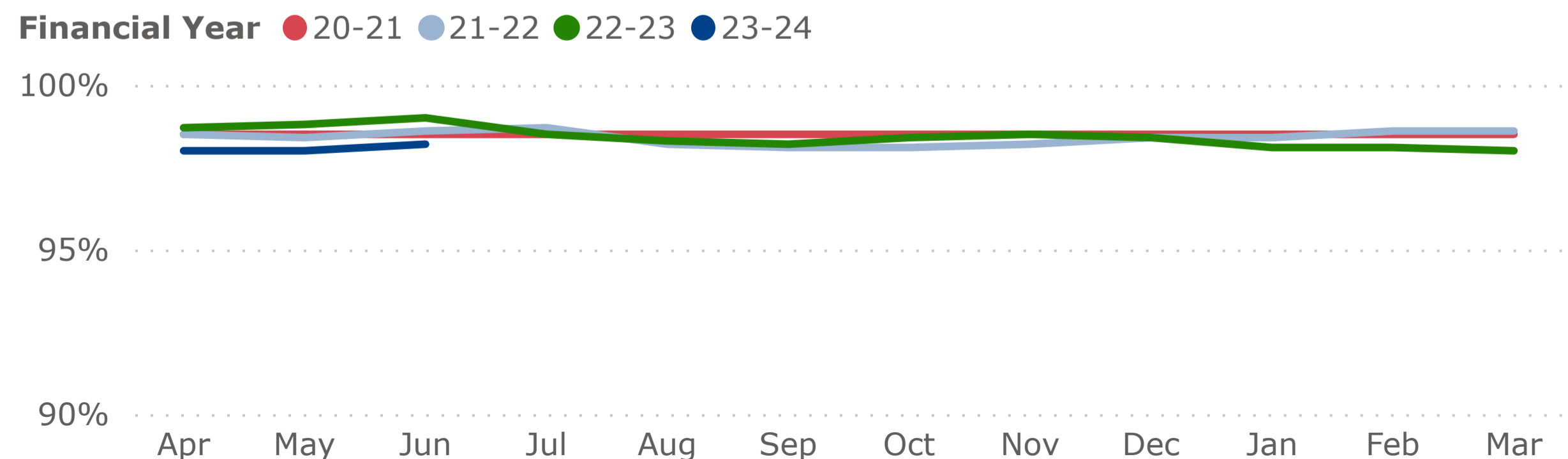
The team have been prioritising some health and safety accident investigations and this impacts the amount of time available to do inspections. We currently have a vacant Technical Officer post at this time.

Typically, unrated premises are separated as they are initial inspections, not routine as they are new businesses. However, due to changes to the database and moving to Assure at the end of February 2023, the team are unable to accurately pull a figure of new businesses that are unrated for June 2023. The team have been prioritising some health and safety accident investigations and this impacts the amount of time available to do inspections.

Number of outstanding routine food hygiene inspections due (Food Safety Service Plan)



Percentage of broadly compliant food businesses (given rating between 3 and 5)



28. Regulatory and Environment

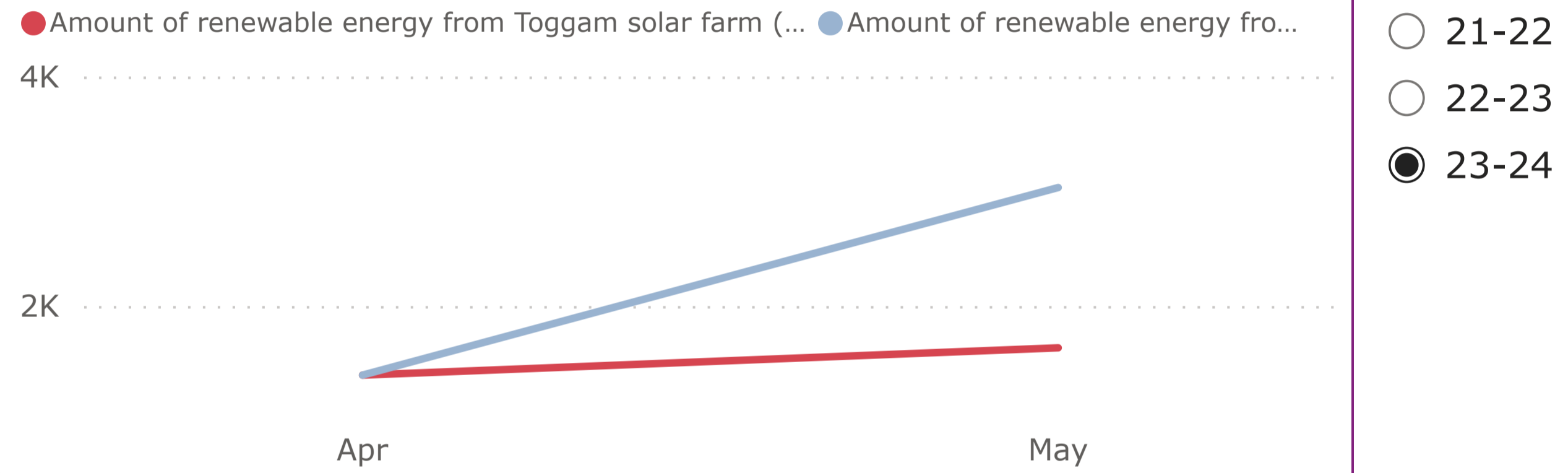
Latest Data Period:

June 2023

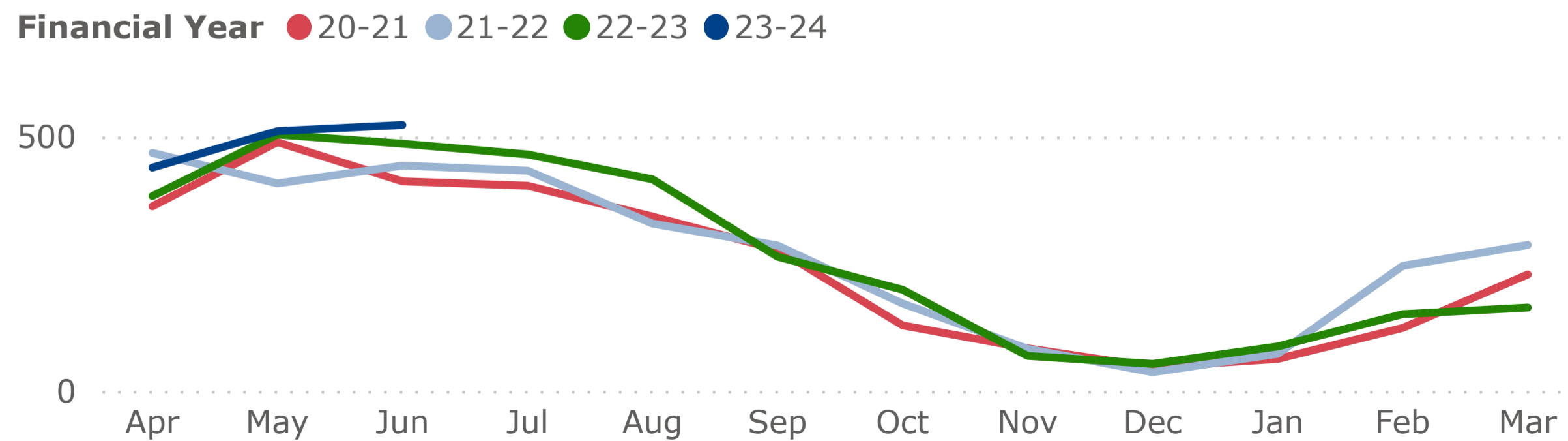
Commentary or Summary

Page 106

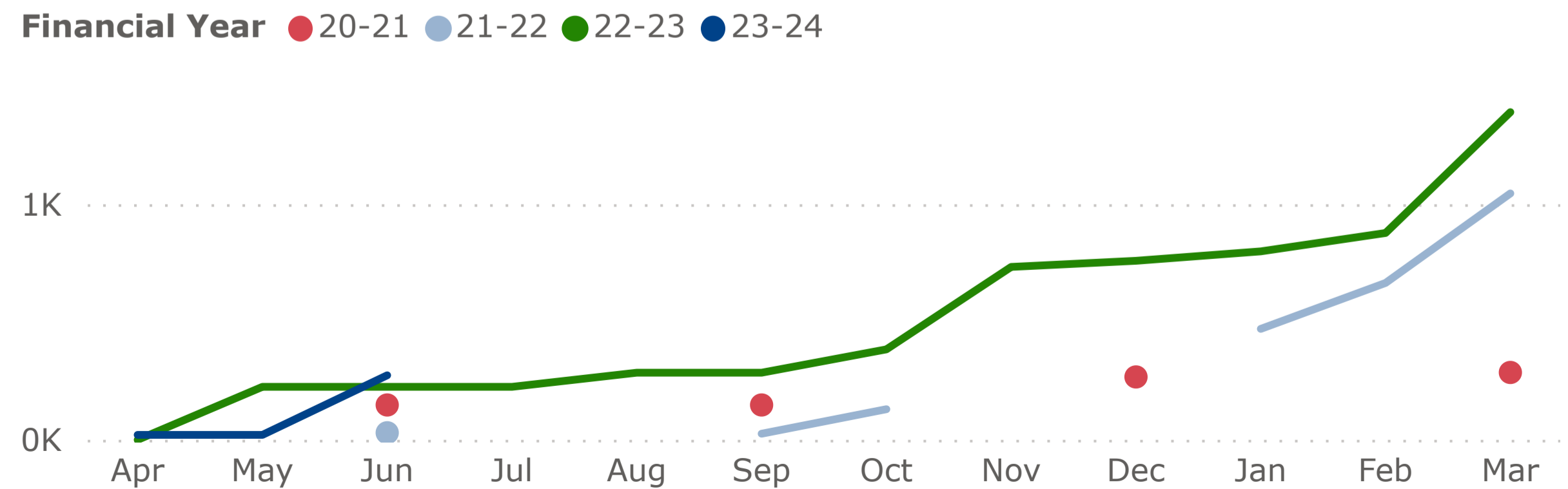
Amount of renewable energy from Toggam solar farm (MWh)



Amount of renewable energy from other West Suffolk investments (MWh)



Capacity of solar installations completed by the council (YTD) (kW)



29. Families and Communities

Latest Data Period:

June 2023

Commentary or Summary

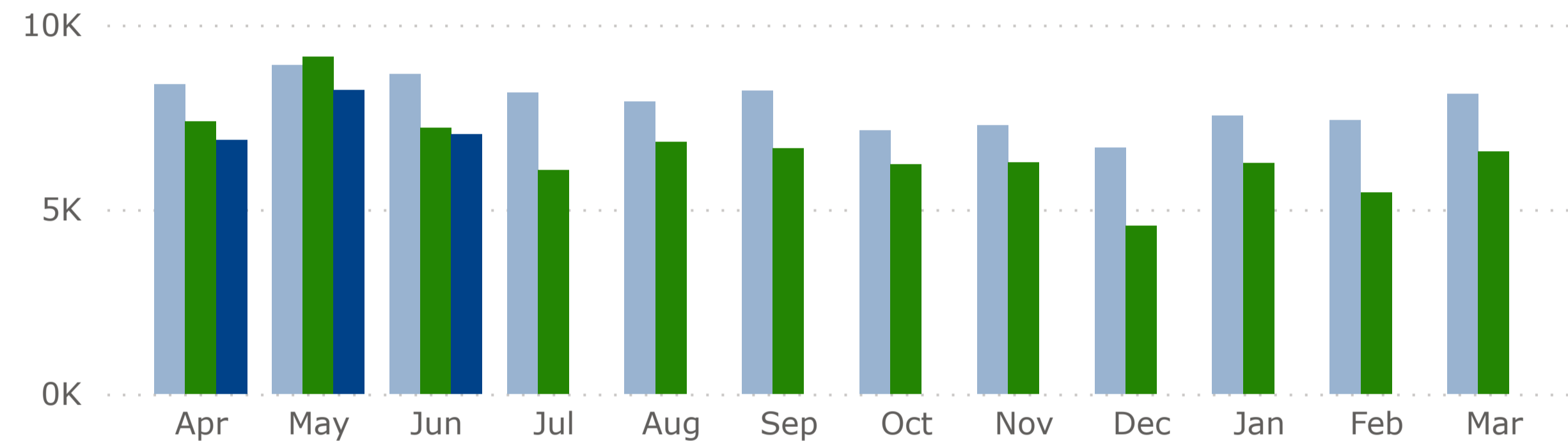
Number of contacts received - phone: Three busiest lines in Q1 were Waste, Housing and Garden Waste (with the annual subscription window being April/May) accounting for 58% of all calls received.

Number of contacts received - face to face: Visitor numbers increased over Q1. Suffolk County Council and other building users accounted for 62% of people attending West Suffolk House. 614/852 people who attended the office in June 2023 had appointments. WSC accounted for 139 of the expected June visitors. 126 visitors did not have appointments.

Number of contacts received - online or email: We received 8,042 emails in

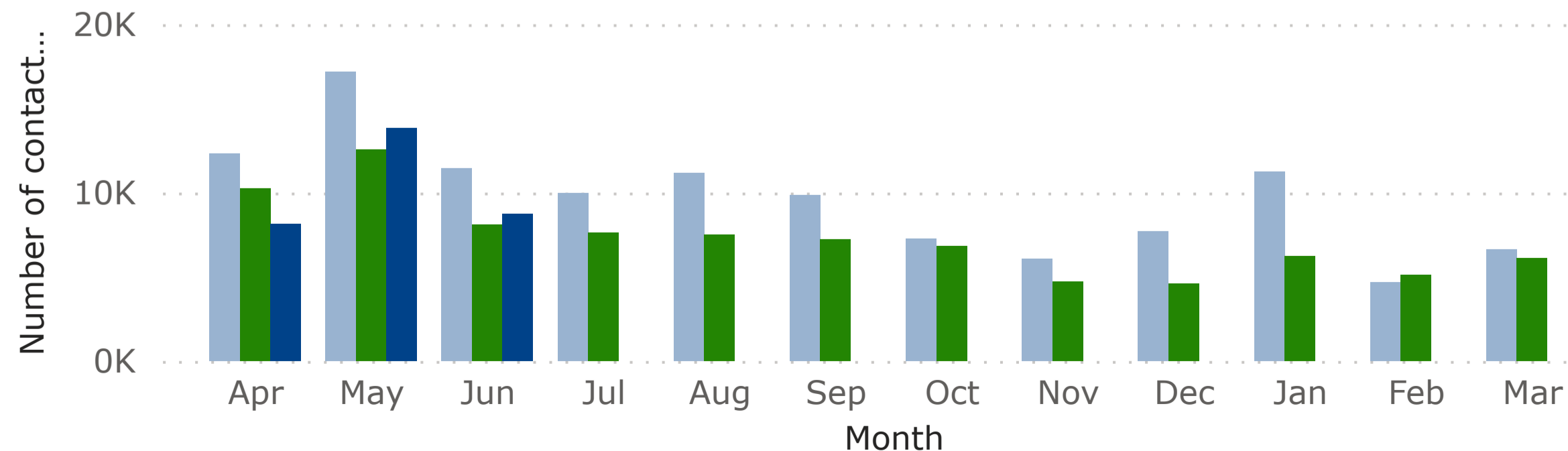
Number of contacts received - phone

Financial Year ● 21-22 ● 22-23 ● 23-24



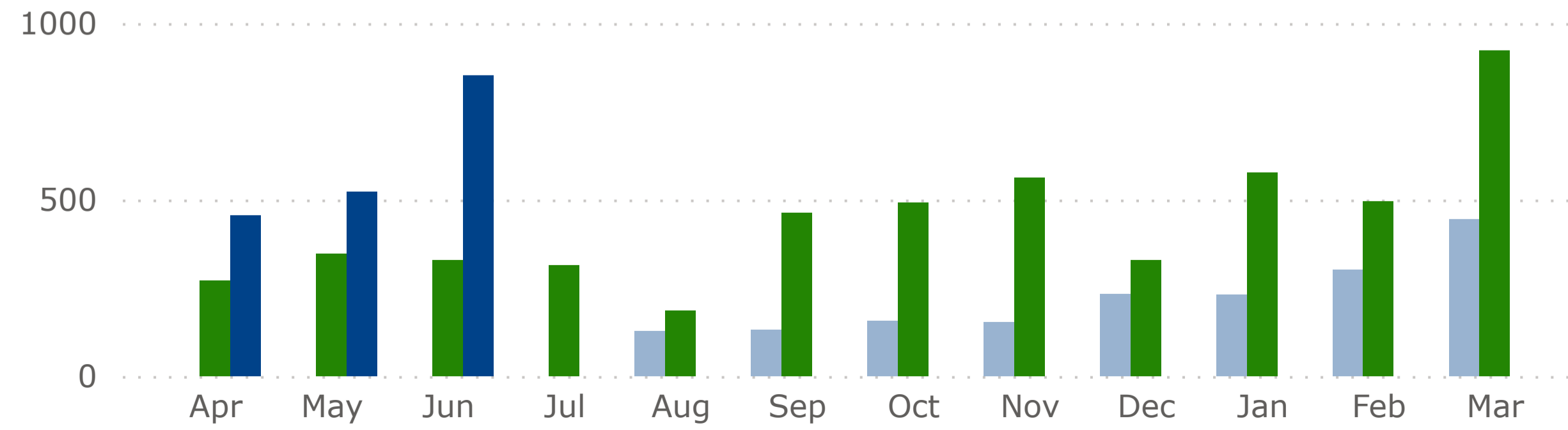
Number of contacts received - online or email

Financial Year ● 21-22 ● 22-23 ● 23-24



Number of contacts received at West Suffolk House- face-to-face

Financial Year ● 21-22 ● 22-23 ● 23-24



30. Families and Communities

Latest Data Period:

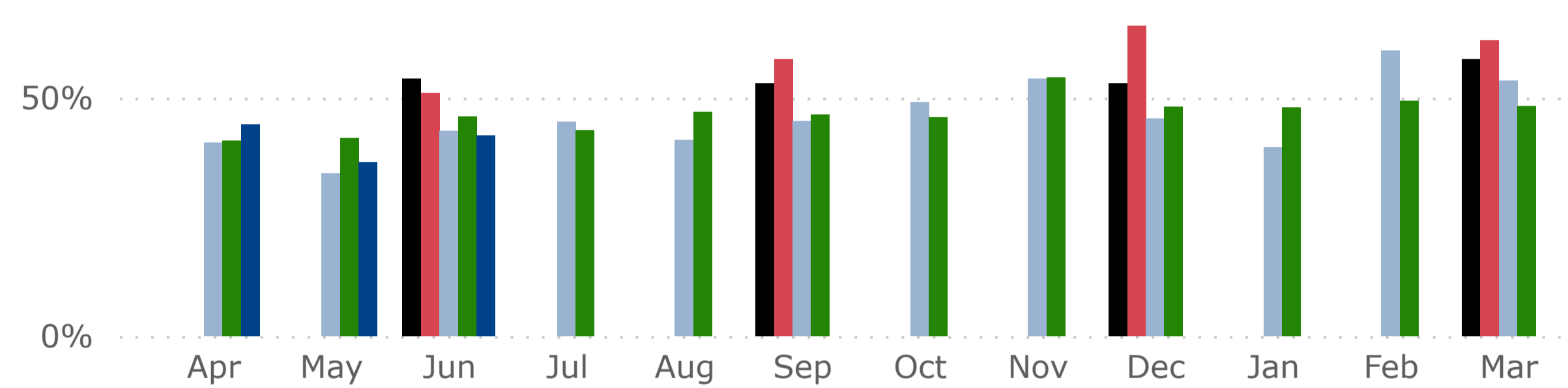
June 2023

Commentary or Summary

Page 108

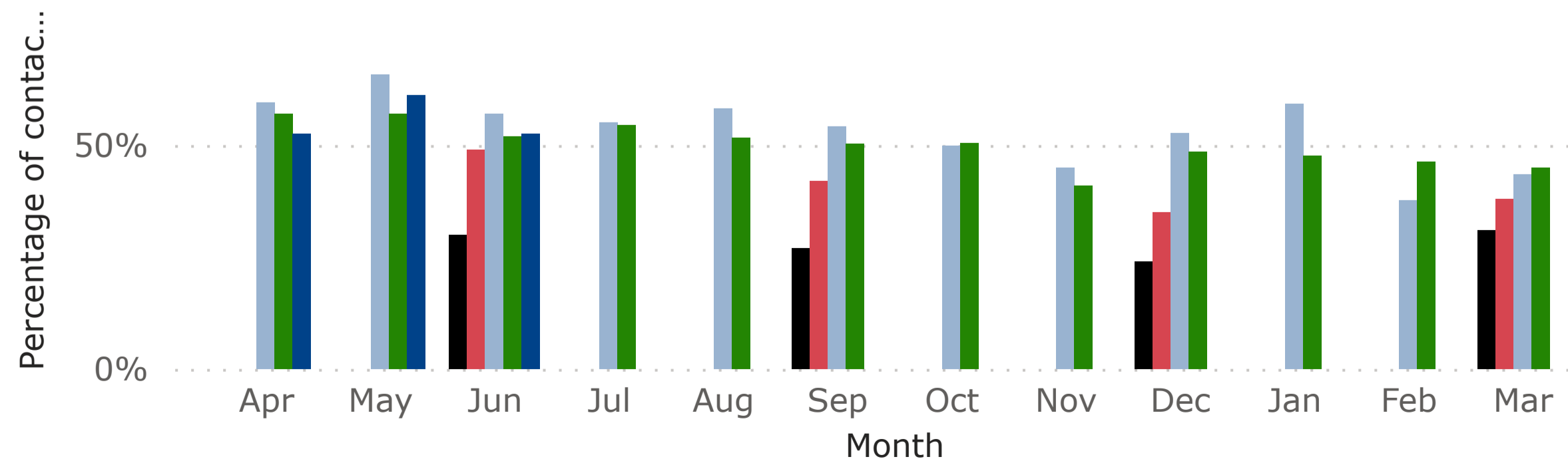
Percentage of contacts received- phone

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



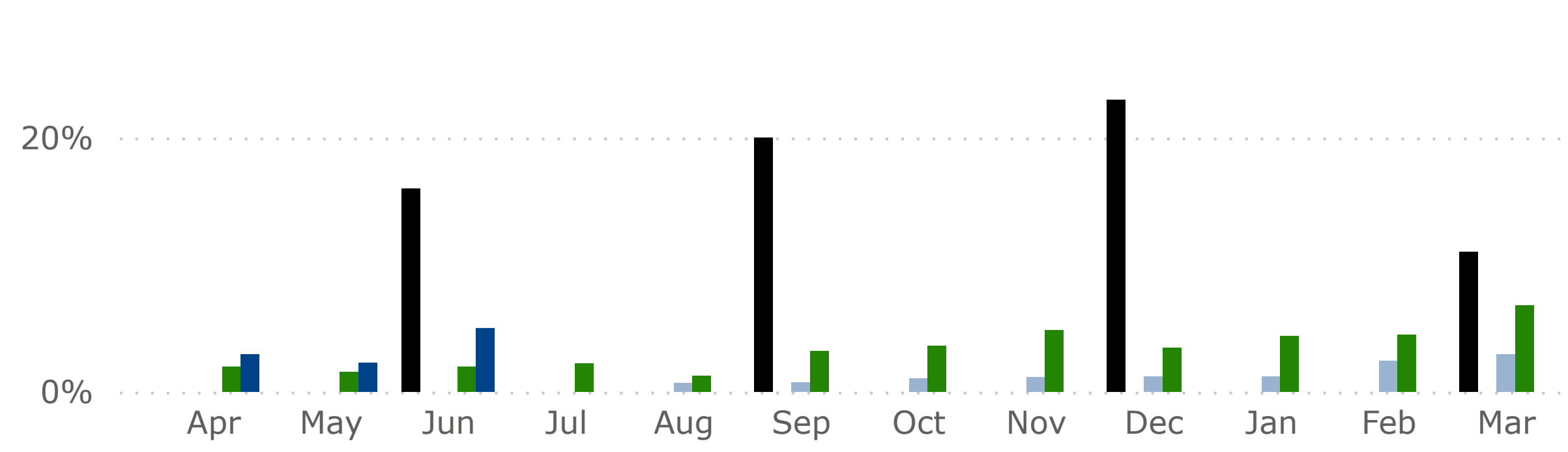
Percentage of contacts received - online or email

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Percentage of contacts received - face-to-face

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



31. Families and Communities

Latest Data Period:

June 2023



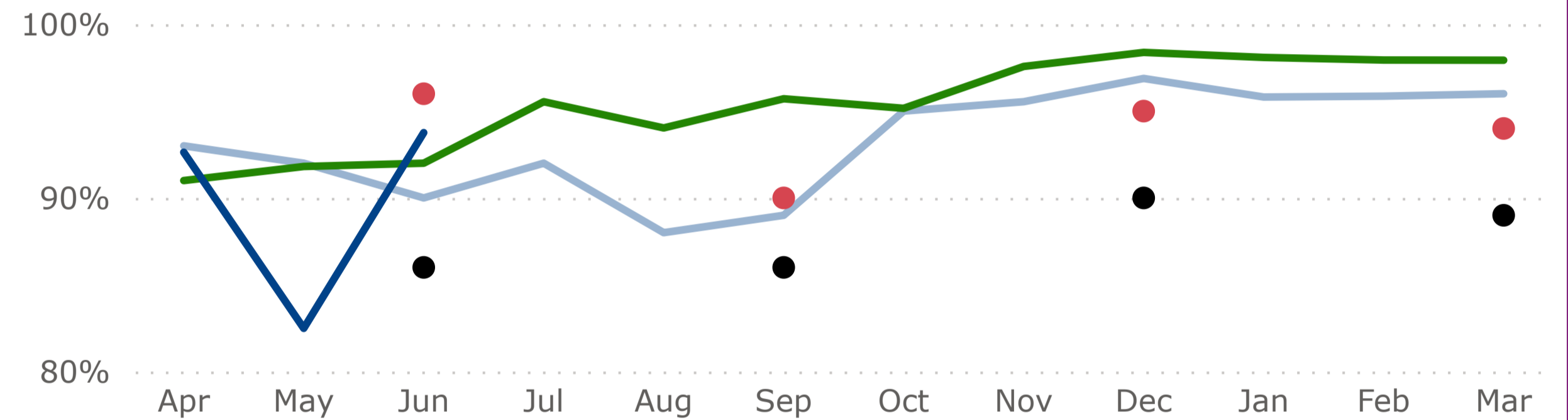
Commentary or Summary

Percentage of phone calls answered: The dip in performance in May 2023 was due to around 2,000 additional calls from customers signing up for Garden Waste subscriptions. Performance returned to above the 90% target level in June 2023.

Percentage of customers satisfied with service received: 223 responses received over Q1. 94 were satisfied, 24 were neutral and 92 were dissatisfied. In June 2023, we received 100 responses via phone and online survey. 41 were satisfied, 12 neutral and 47 dissatisfied. The majority of responses received related to Waste and Ground Maintenance, but also included parking, planning and

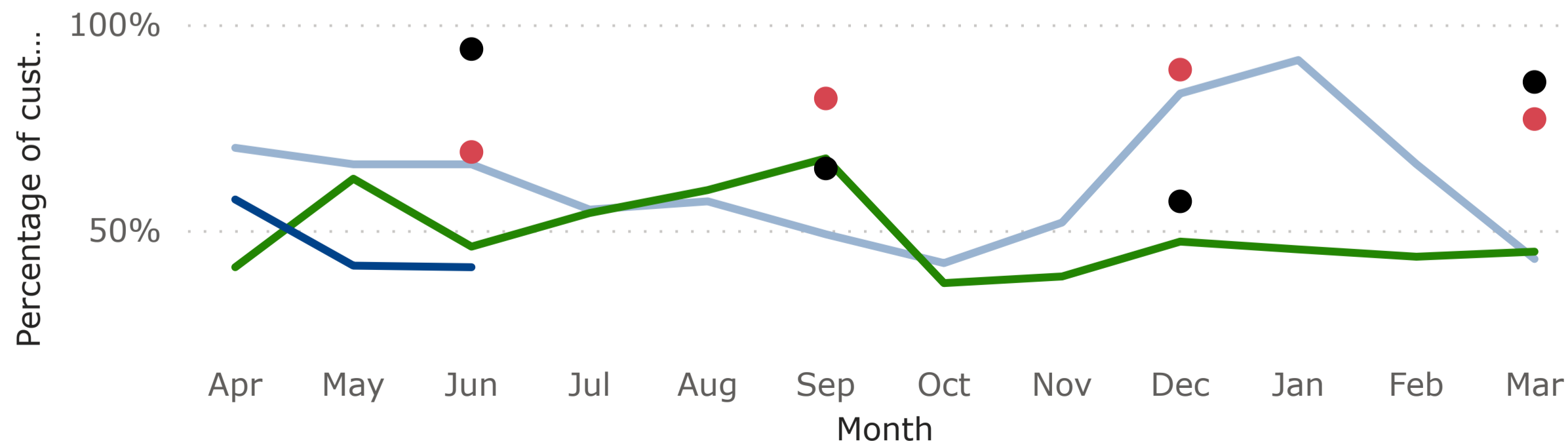
Percentage of phone calls answered

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



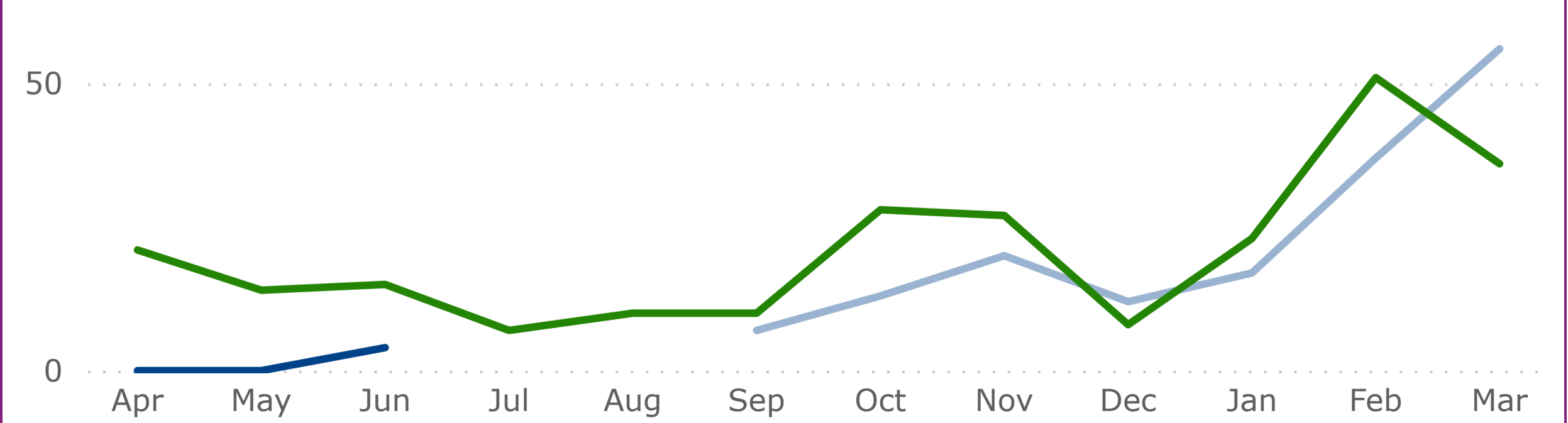
Percentage of customers satisfied with service received

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of locality budget applications processed by the team

Financial Year ● 21-22 ● 22-23 ● 23-24



32. Growth

Latest Data Period:

June 2023

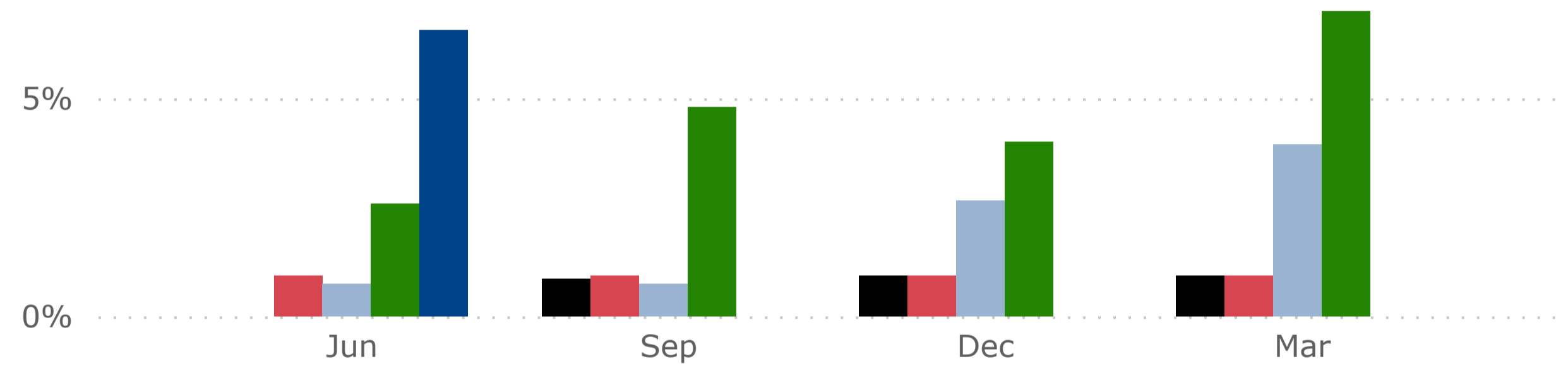


Commentary or Summary

The number of start-up businesses across West Suffolk is continuing to climb again in Q1 2023, showing 1,056 businesses compared to 933 in the previous Q4. Overall, Q1 2023 has generated an increase of 434 new start-up businesses compared to Q1 2022.

Percentage of businesses that are new start-ups in West Suffolk

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



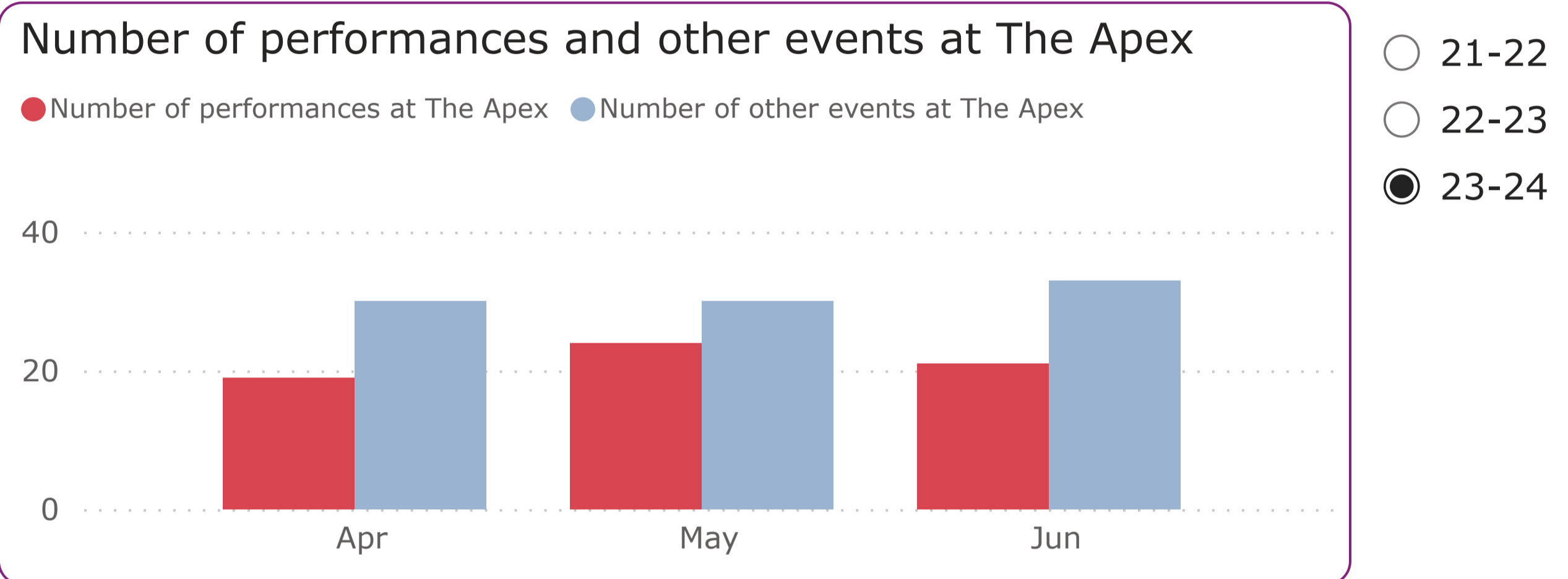
33. Leisure, Culture and Community Hubs

Latest Data Period:
June 2023



Commentary or Summary

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34. Leisure, Culture and Community Hubs

Latest Data Period:

June 2023

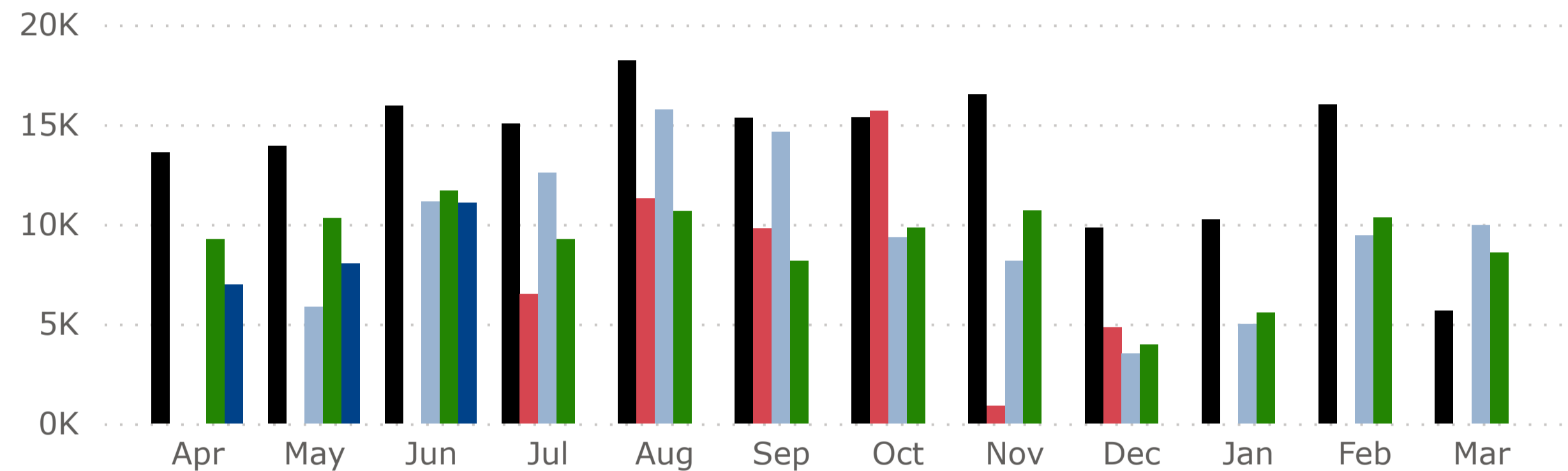
Commentary or Summary

Visitors to the Abbey Gardens, Moyse's Hall and West Stow are recorded by a pedestrian counter. Visitors to Brandon Country Park, East Town Park and Nowton Park are recorded by a traffic data device that assumes two people per car, this does not take account of visitors that use other methods of transport including on foot.

Please note that in June 2023, the door clicker at Moyse's Hall has been faulty since at least May 2023 which was only recently brought to the service's knowledge. For this month, the service has used total admissions (till admissions, groups and schools) as this is the most accurate number that they have access to for Moyse's Hall. We are currently waiting for the door clicker to be fixed.

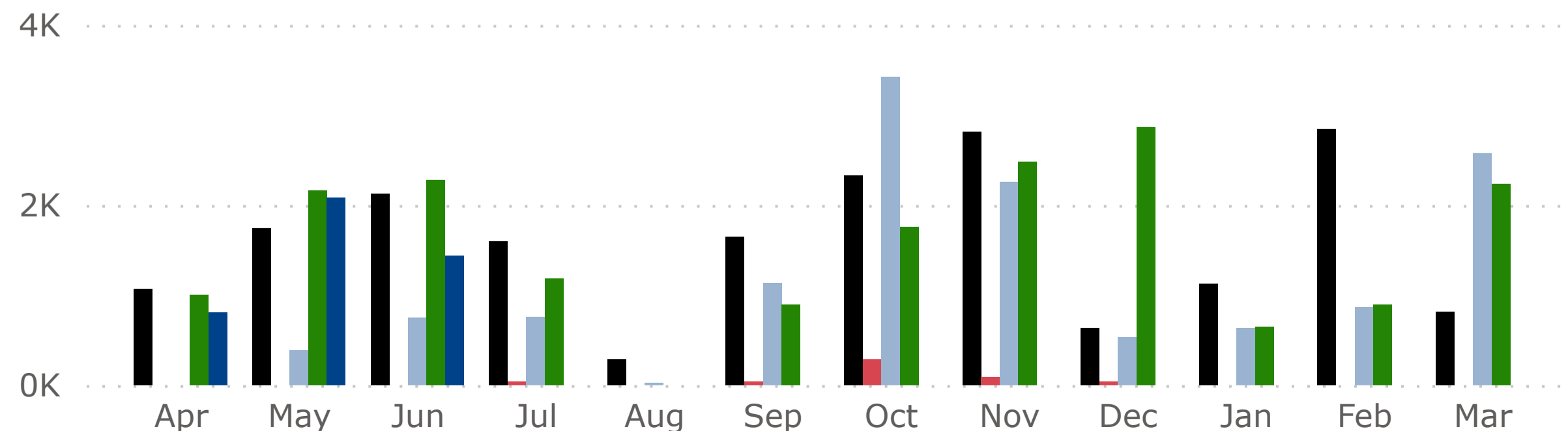
Number of visitors to West Suffolk heritage sites

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



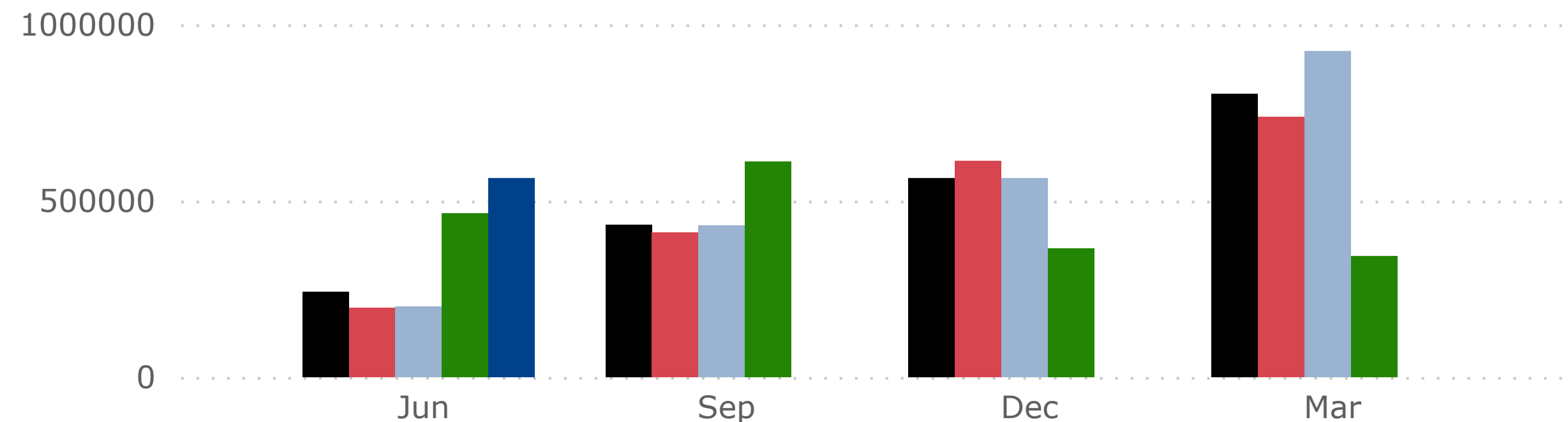
Number of visits from school pupils to West Suffolk heritage sites

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of visitors to West Suffolk parks

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



35. Planning

Latest Data Period:

June 2023

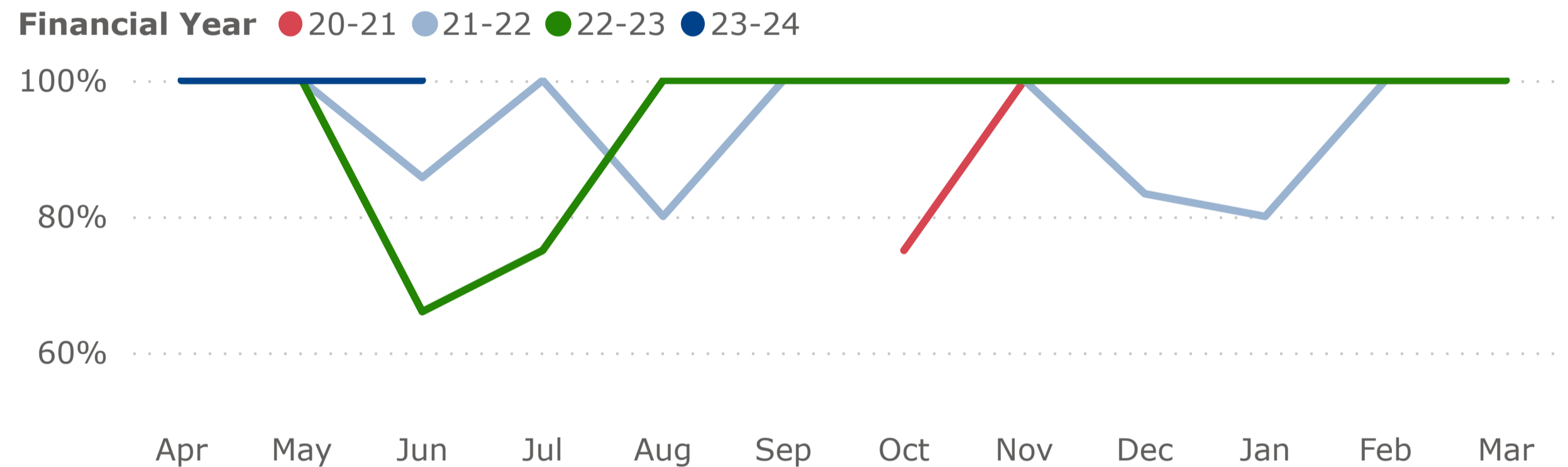
Commentary or Summary

9 major planning applications were determined in June 2023. All were determined in target, of which 7 required an extension of time.

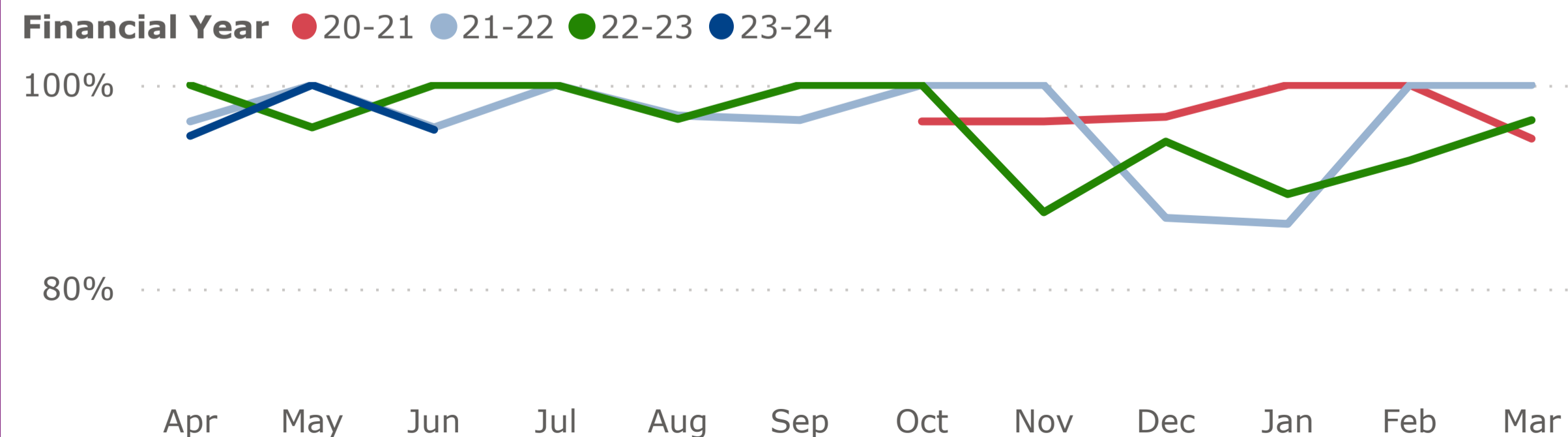
23 minor planning applications were determined in June 2023. 22 were determined on target. 4 applications were determined within 8 weeks, 18 required an extension of time. 1 application with an extension of time was determined outside of target.

77 other planning applications were determined in June 2023. 76 were determined on target. 30 were determined within 8 weeks, 46 required an extension of time. 1 application without an extension of time was determined outside of target.

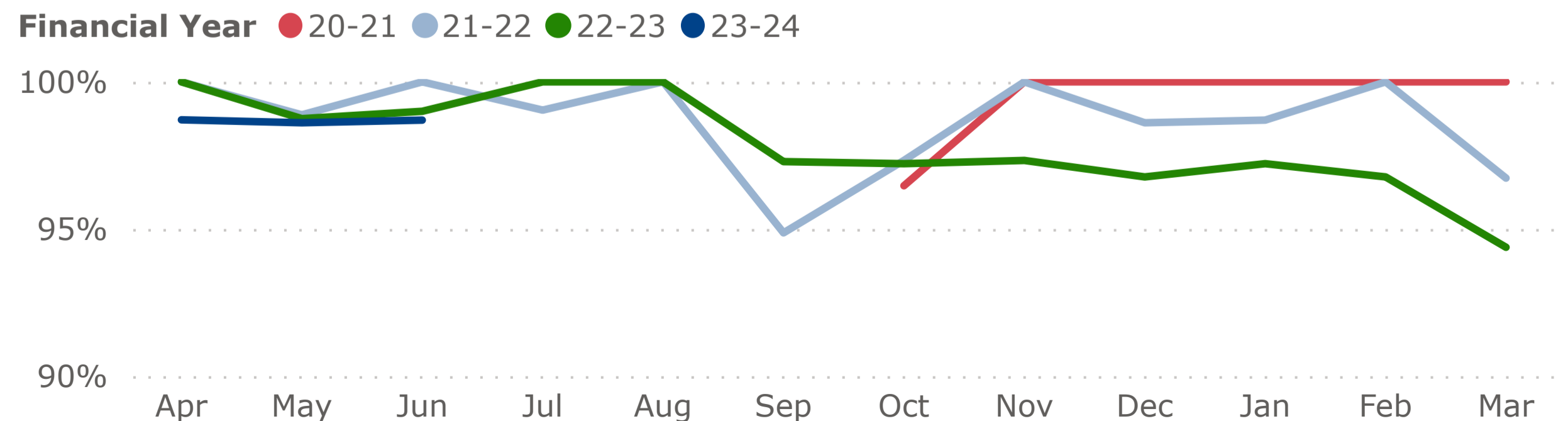
Percentage of major planning applications determined within the agreed timescales



Percentage of minor planning applications determined within the agreed timescales



Percentage of other planning applications determined within the agreed timescales



36. Planning

Latest Data Period:

June 2023

Commentary or Summary

% of major and minor applications with pre- application advice: 24 major and minor applications were received in June 2023, 6 of those had a pre-app.

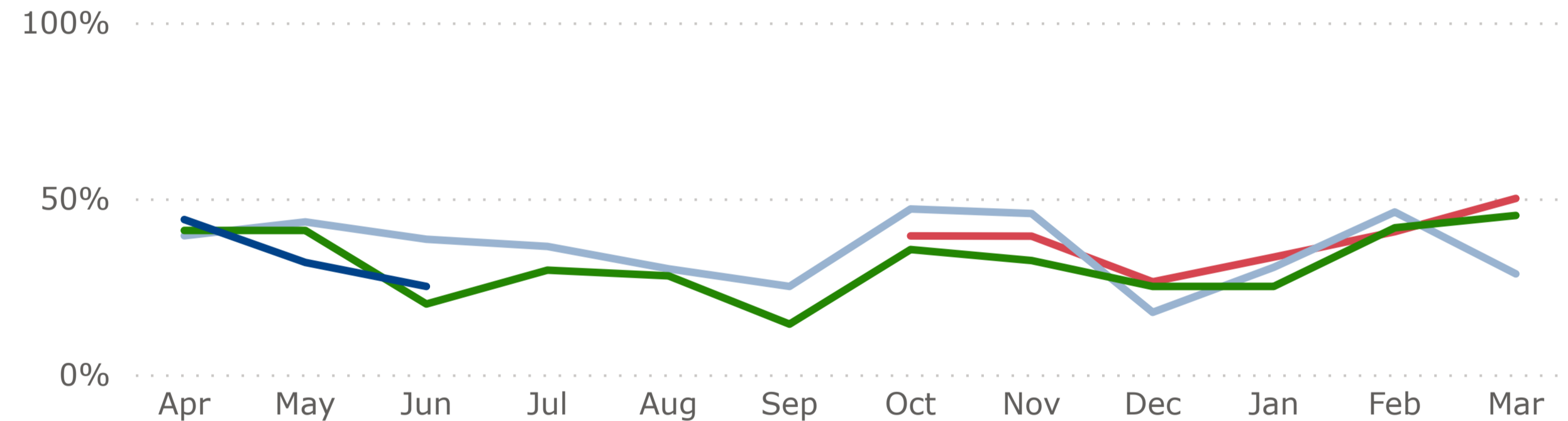
It should be noted that the percentage of pre-applications does not take into account the relative complexity of pre-application requests. Neither does it reflect the fees received (which are linked to complexity).

% applications with pre-app advice: 210 applications were received in June 2023. 55 of these had pre-app advice of which 30 were valid first time.

This provides a useful measure of the value of pre-application enquiries and discussion of validation requirements up front. It shows that where pre application

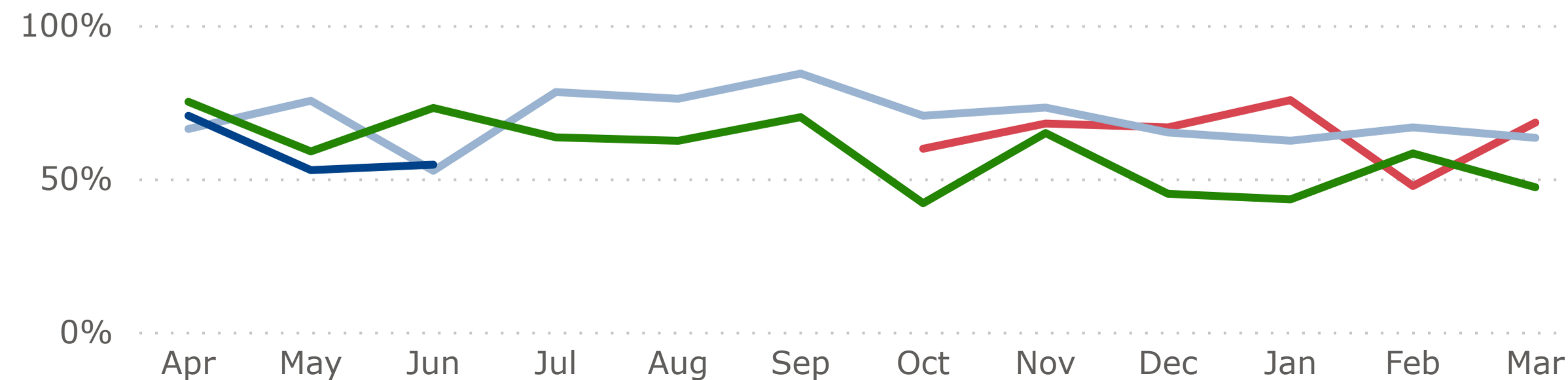
Percentage of major and minor applications with pre-application advice.

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24



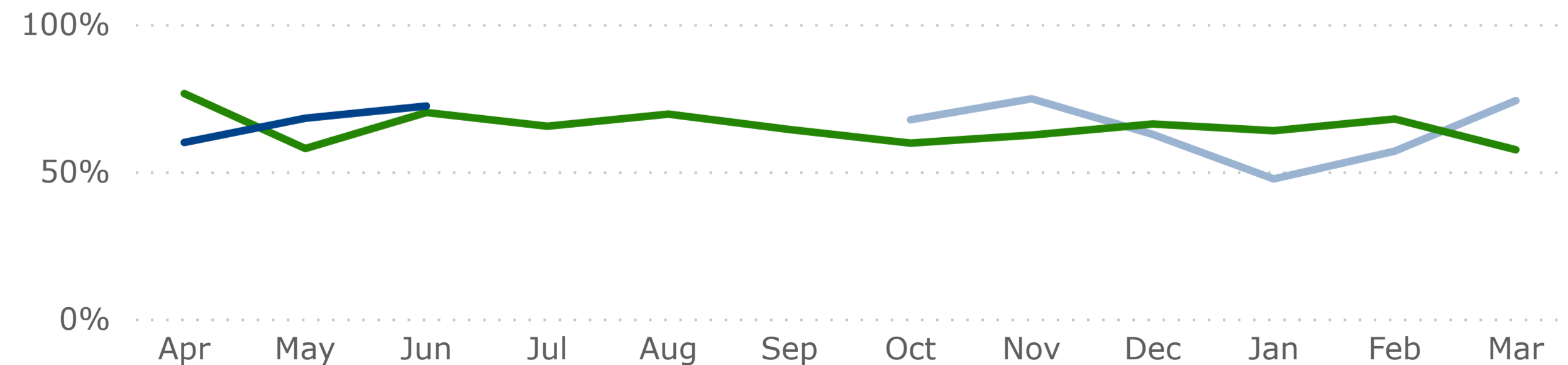
Percentage of applications with pre-application advice that are right first time out of all received

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24



Percentage of applications without pre-application advice that are right first time out of all received

Financial Year ● 21-22 ● 22-23 ● 23-24



37. Planning

Latest Data Period:

June 2023

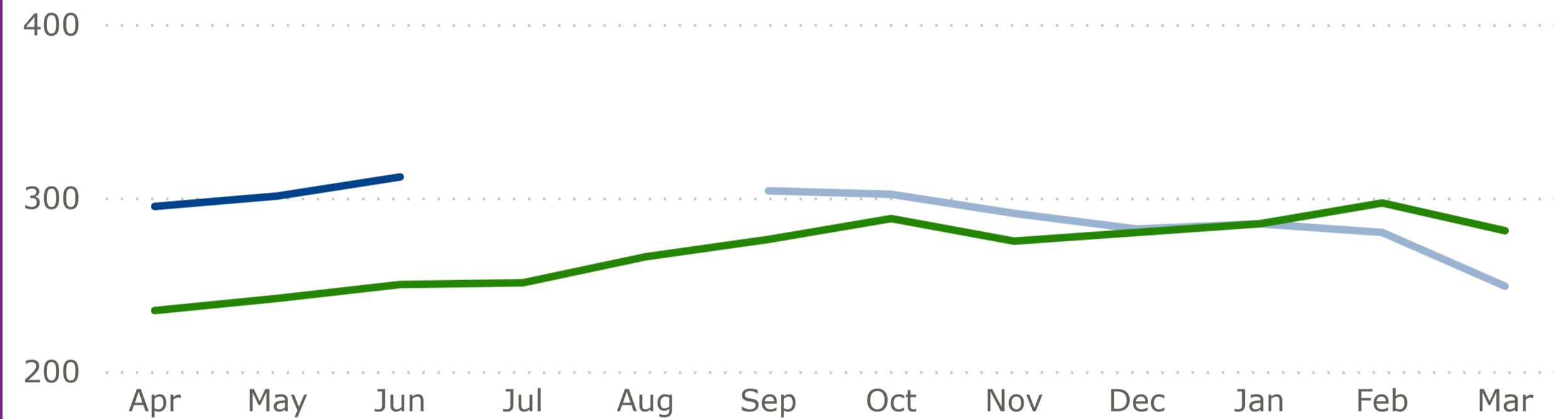
Commentary or Summary

Planning enforcement cases: We have received 30 new cases in June 2023, we have resolved 19 cases. The reasons closed are detailed below:

- No breach established - 7
- Not expedient to pursue - 6
- Planning application approved - 2
- Remedied following informal action – 2
- Transferred to new case – 2

Number of open planning enforcement cases

Financial Year ● 21-22 ● 22-23 ● 23-24



38. Planning

Latest Data Period:

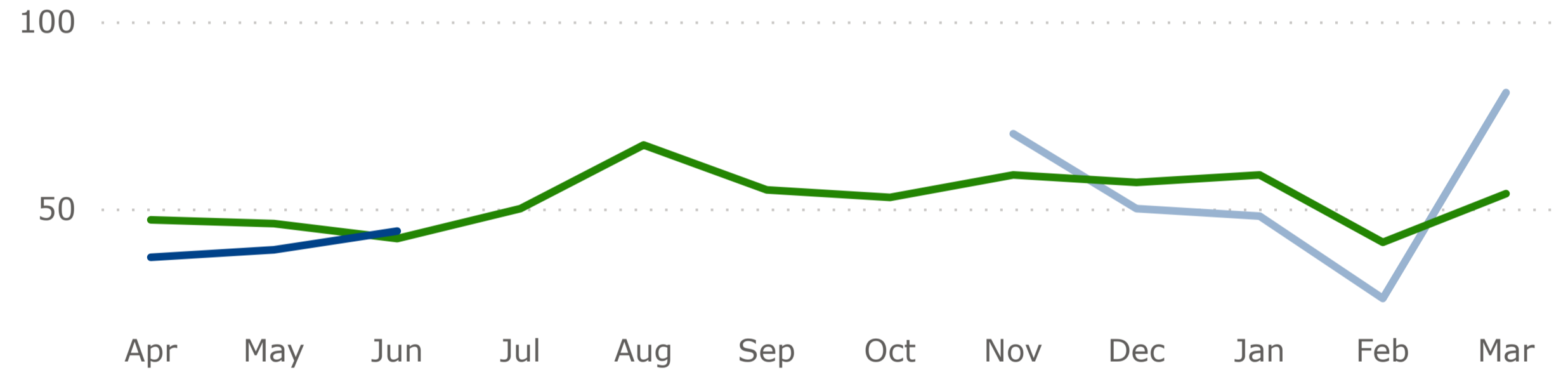
June 2023

Commentary or Summary

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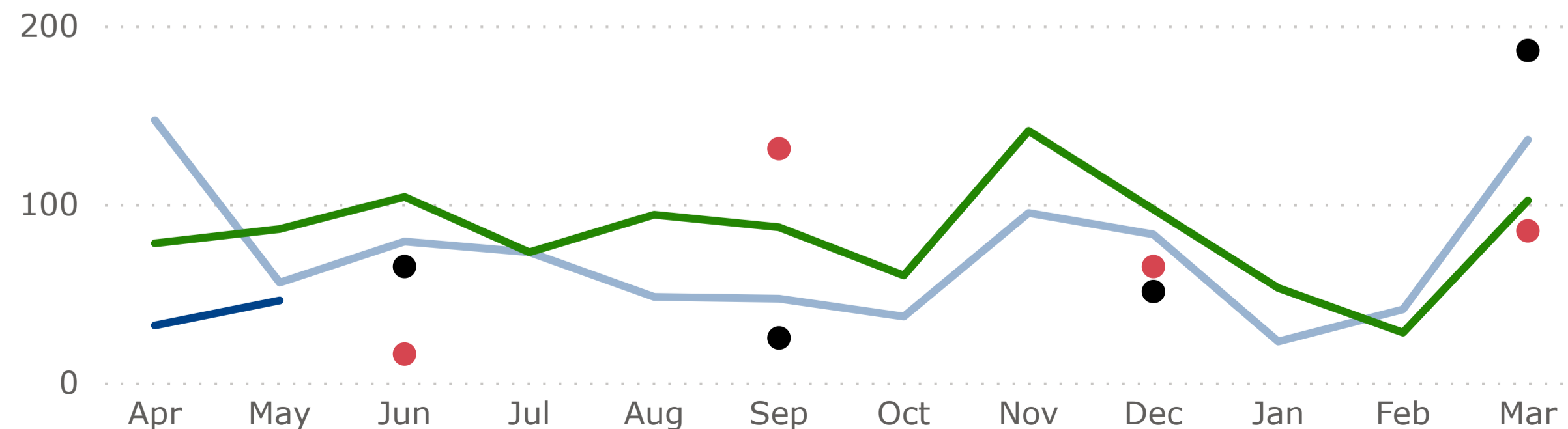
Number of applications not monitored by DLUHC which are included on government returns

Financial Year ● 21-22 ● 22-23 ● 23-24



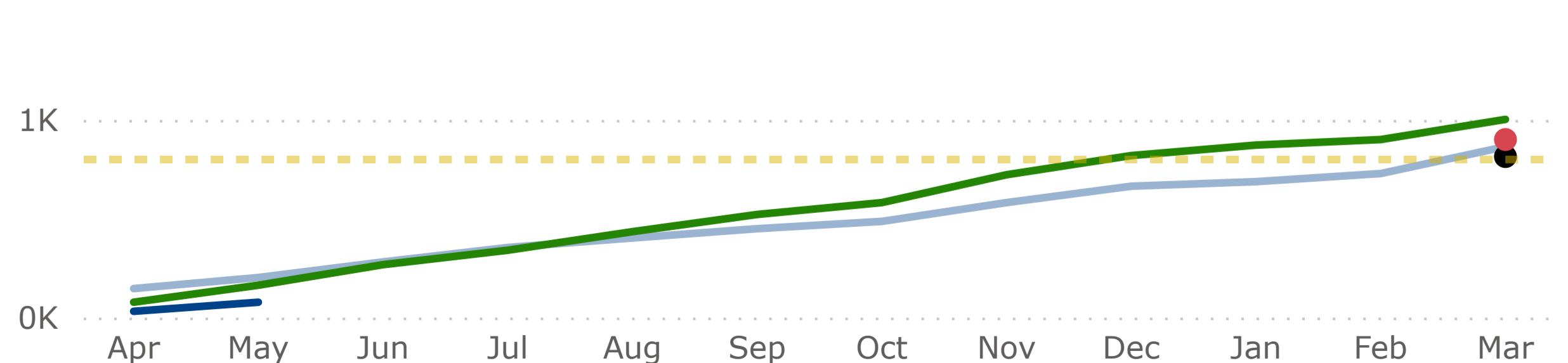
Number of housing units delivered (one month lag)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of net additional housing units completed (YTD) (one month lag)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



39. Operations

Latest Data Period:

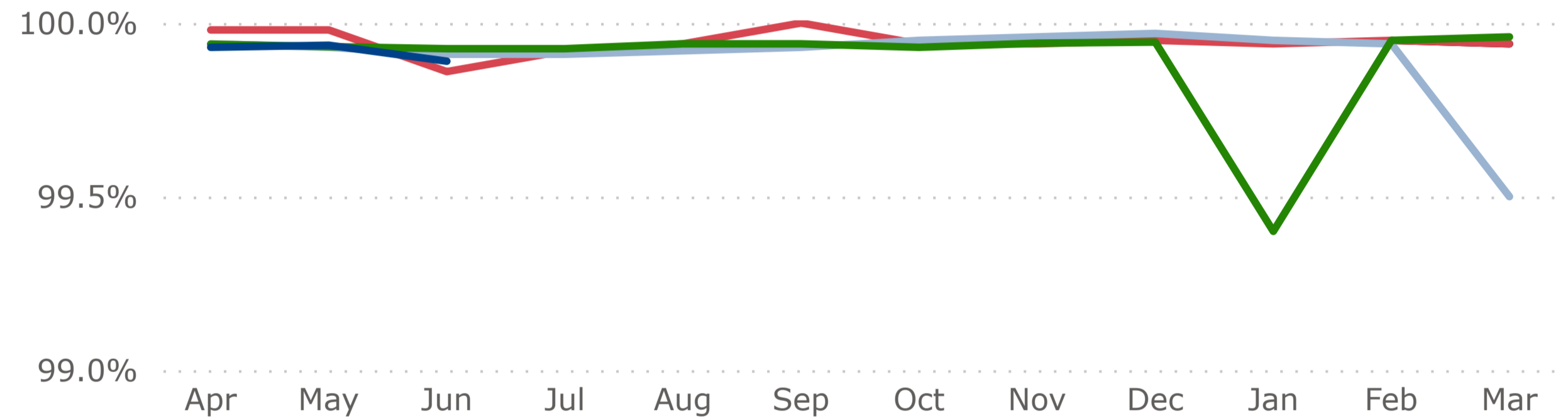
June 2023

Commentary or Summary

Page 117

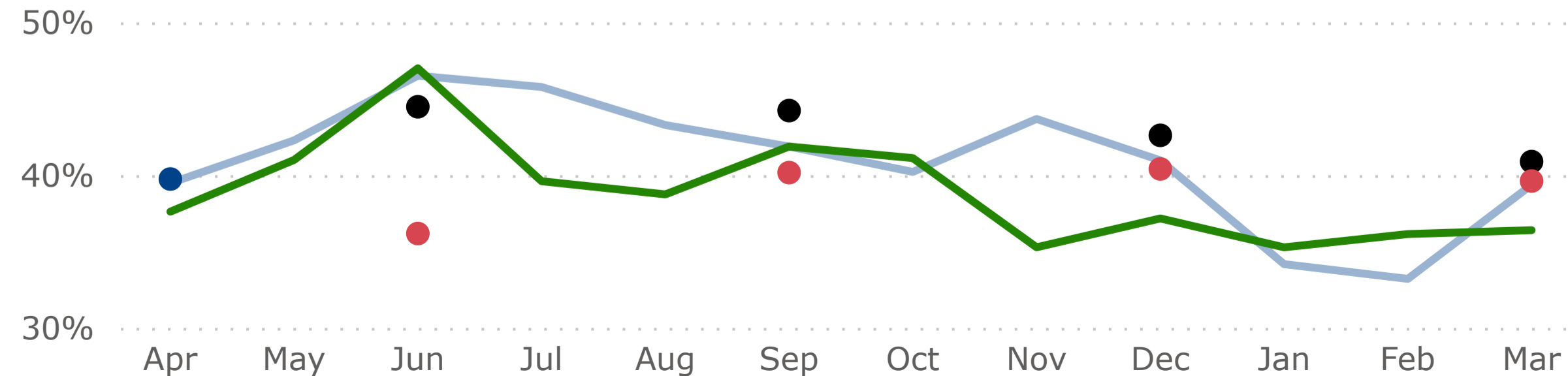
Percentage of household bins successfully collected

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



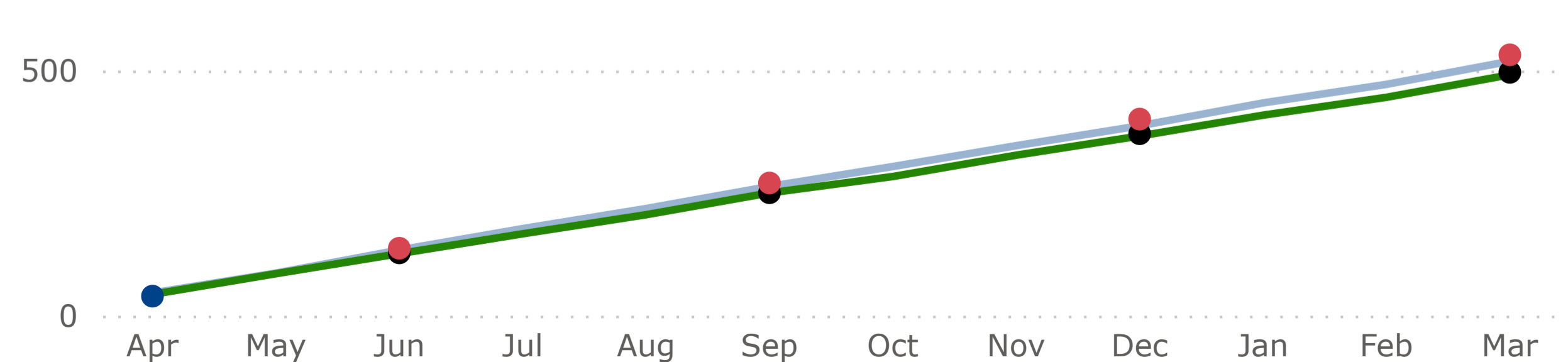
Percentage of household waste recycled and/or composted (one month lag)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Average amount of residual waste per household - KG (YTD - one month lag)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



40. Operations

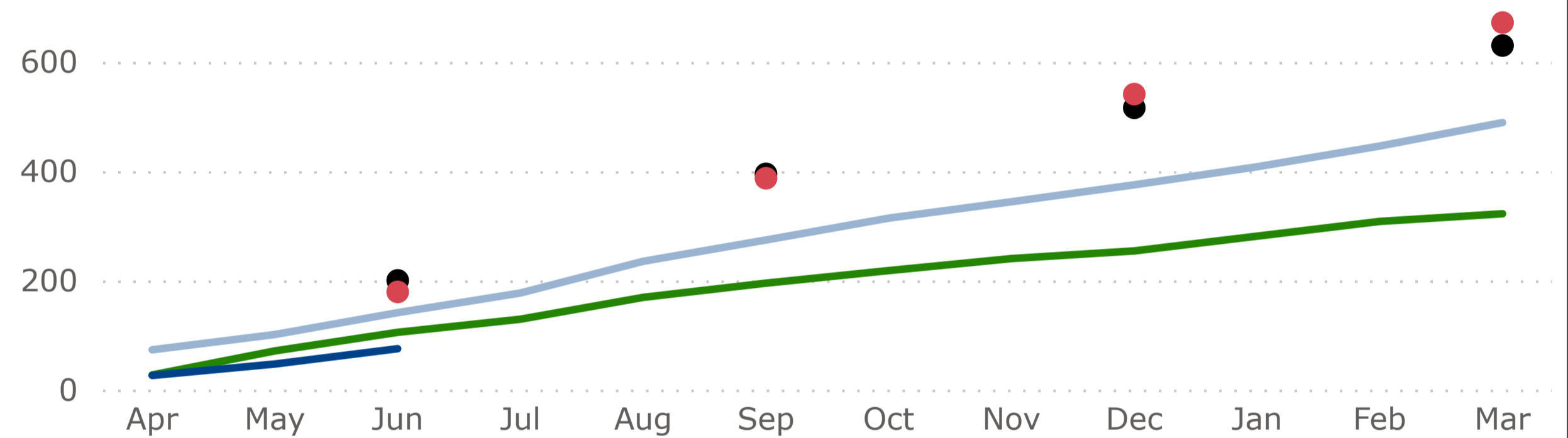
Latest Data Period:

June 2023

Commentary or Summary

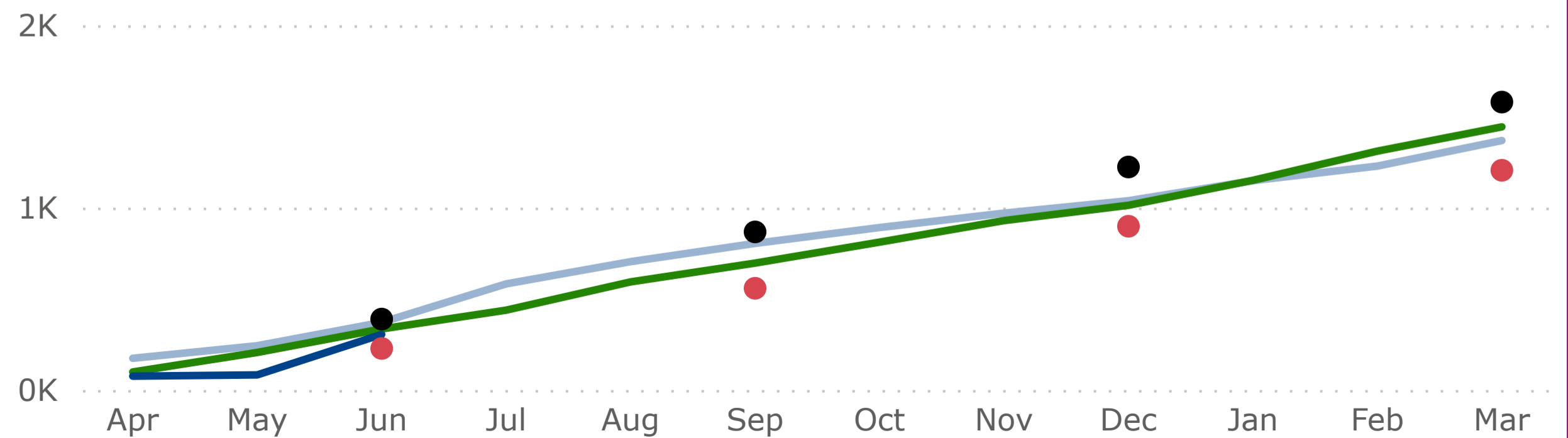
Number of fly tipping incidents recorded (YTD)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of actions taken to combat fly tipping (YTD)

Financial Year ● 19-20 ● 20-21 ● 21-22 ● 22-23 ● 23-24



41. Operations

Latest Data Period:

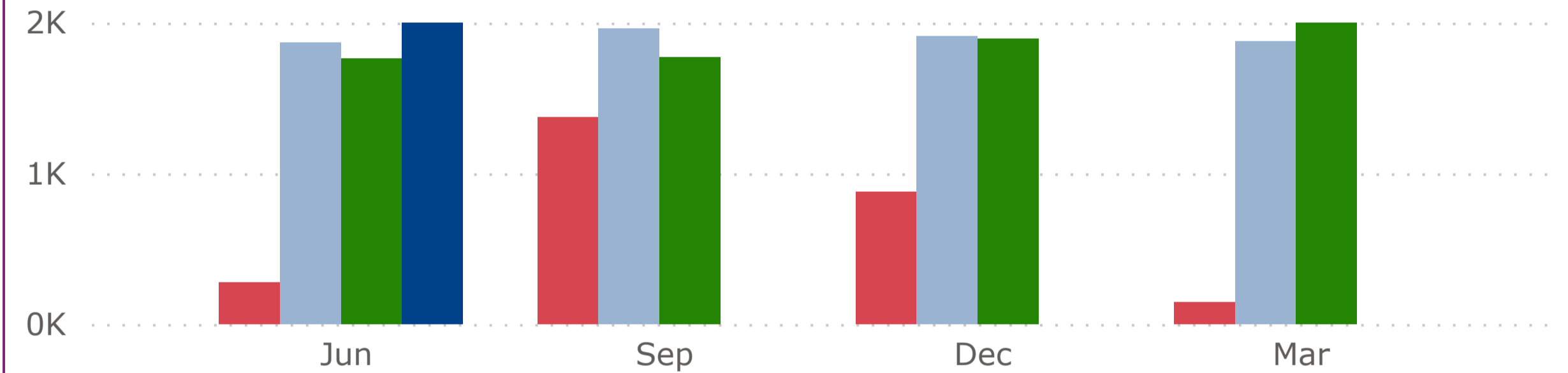
June 2023

Commentary or Summary

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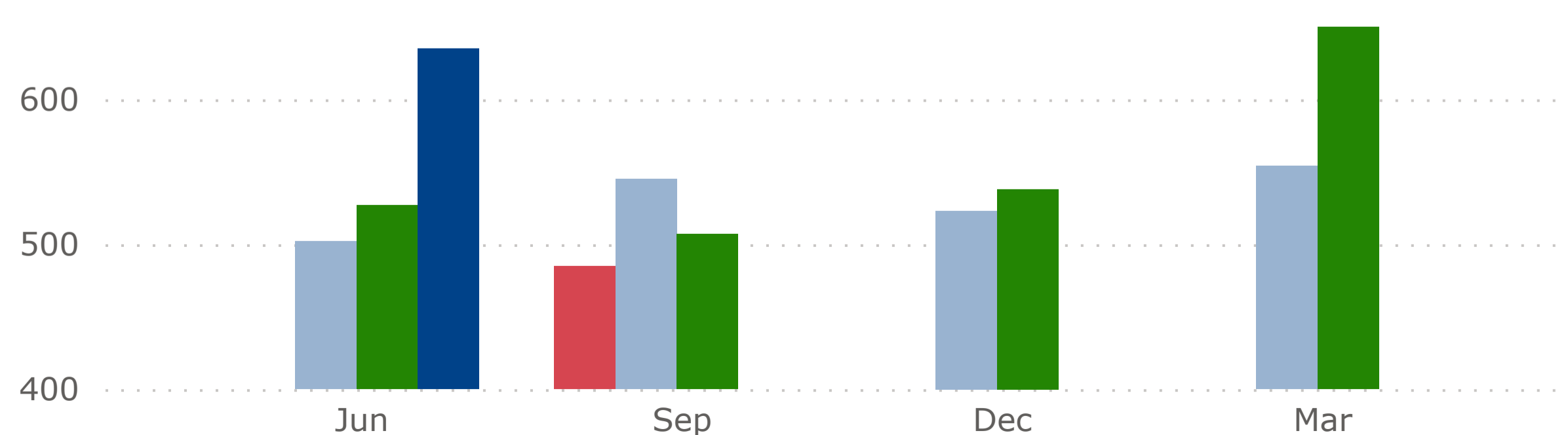
Number of hours contributed to green and heritage spaces by volunteers

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24



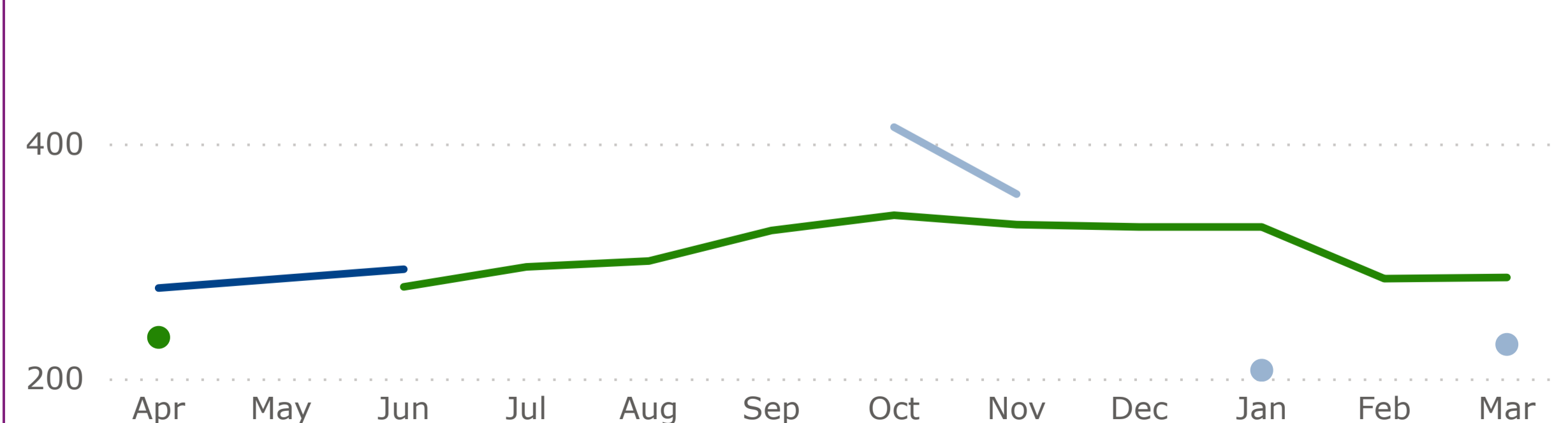
Number of registered volunteers

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24



Number of tree-related public enquiries

Financial Year ● 21-22 ● 22-23 ● 23-24



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Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	52,037	38,010	14,027	Net Benefit position slightly worse than budgeted Overall gross budgets comprises: £25,355,000 rent allowances, temporary accommodation rebates and discretionary benefits, mostly funded by benefits and rent rebate subsidy, discretionary rent allowance subsidy and overpayments recovered.
Total Net Benefits (income) or expenditure:	52,037	38,010	14,027	
Income from Business Rates	(6,400,600)	(6,400,600)	0	Net overall Business Rate income in line with overall budget The forecast year end position includes: £350,000 section 31 grants (provided by Central Government to compensate for national reliefs awarded such as small business rates relief and retail hospitality relief) lower than budgeted (£750,000) increased share of Suffolk pool income as a result of more than budgeted business rates income across Suffolk authorities including West Suffolk (agreed sharing of business rate benefits across Suffolk authorities) £204,000 increased levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions). Net overall income increase transferred to the Business Rates Equalisation reserve.
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(16,828,051)	(16,828,053)	2	Formula Grant income in line with budget Grants received by the council, based on the annual local government finance settlement. These include the following: (£4,693,000) Business Rate Retention scheme income (£815,000) New Homes Bonus grant (£183,000) Services grant (£11,137,000) Council Tax income (net of Parish demand).

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn	Annual budget	Net (positive) or negative forecast variance	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	
Income from other grants	(3,742,971)	(3,743,506)	535	<p>Other grant income in line with budget:</p> <p>The Budget and forecast year end position includes the following grants: (£82,000) Department of Works and Pensions Grant (£159,000) COVID-19 outbreak management funding, utilised for public health protection (£34,000) Household Support Fund grant, used for supporting Housing Options initiatives (£678,000) Homelessness Prevention Grant, used to fund Housing Options Services (£469,000) Rough Sleeping Initiative, used for Housing Options Outreach Services (£420,000) Revenue Support Grant, non-specific grant utilised to support the net cost of council services (£1,137,000) Funding Guarantee Grant, government funding to ensure that councils will see a 3% increase in their core spending power (£203,000) Rural Services Delivery Grant, additional grant reflecting the rural nature of the council (£245,000) Non-Domestic Rates Cost of Collection Allowance, to contribute towards administering the scheme (£309,000) Council Tax Collection Fund Surplus, arising from council tax collected being more than originally budgeted in previous years estimates (£7,000) Orchestras Live Grant, utilised towards cultural events All of the above are fully committed for utilisation against services during the year.</p>
Total income from external grants, business rates and council tax:	(26,971,622)	(26,972,159)	537	

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from external contributions and reimbursements	(4,875,519)	(4,730,309)	(145,210)	<p>Overall external contributions income higher than budgeted:</p> <p>Income higher than budgeted: (£160,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs (£14,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations (£10,000) increased income in respect of Shared Legal service with Babergh Mid Suffolk Councils (linked to spend and income recovered)</p> <p>Income lower than budgeted: £12,000 income from Suffolk County Council. This is predominantly due to reduced Net Recycling Performance Payments (RPPs). These are based on prices for recycled materials which are traded worldwide, net of the operational costs. Operating costs have increased, and in addition lower material values have contributed to lower net RPP income overall. £29,000 Planning Section 106 monitoring contributions from developers. These are dependent on number, complexity and timings of planning applications. In previous years the council has been able to fully fund the monitoring function from contributions and prior year balances, however based on current activity levels and future projections it is anticipated that around 40 to 60 per cent will be funded in this way.</p> <p>Plus several other smaller income variances.</p>
Income from Service Level Agreements (SLAs)	(1,036,385)	(1,041,315)	4,930	<p>Income slightly lower than budgeted Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies. The small shortfall in income relates to facilities services provided.</p>
Income from ticket sales, commission and memberships	(1,927,893)	(1,932,067)	4,174	<p>Income slightly lower than budgeted Income from tickets sales has recovered well from the effects of the pandemic and is currently forecasted to be on budget for the year. The forecast shortfall in income relates mainly to commission on catering and other sales.</p>
Income from other Leisure sales	(426,035)	(451,803)	25,768	<p>Income lower than budgeted The forecast shortfall in income mainly relates to room hire at the Apex, based on current levels of demand and the previous year's outturn.</p>
Income from Planning Fees	(1,625,000)	(1,624,484)	(516)	<p>Income forecasted to be in line with budget Year end forecasted income of (£1,625,000) is made up of: (£1,500,000) Planning Application Fees (£125,000) Income from Planning Performance Agreements and Pre-application fees.</p>

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Building Regulation Fees	(355,000)	(374,390)	19,390	Income lower than budgeted Whilst income continues to recover, the current slowing down of the housing market due to rising interest rates and other economic factors is affecting the forecast year end position. Hourly rates were reviewed for 2023 to 2024, built into our projections, as are income streams such as the initial planning fees for the Advanced Manufacturing Units at Suffolk Business Park. The service is also reviewing the potential implications of the Building Safety act.
Income from Refuse collection and sales of scrap materials	(4,726,745)	(4,726,624)	(121)	Income forecasted to be in line with budget Year end forecasted income of (£4,726,000) is made up of: (£1,598,000) Garden Waste Collection (£2,857,000) Trade Waste Collection (£67,000) Bulky Waste Collection (fridges, metal and scrap) (£117,000) Sales of Scrap Materials collected (£17,500) Replacement Bin fees (£69,000) Other fees (including street cleansing and clinical waste)
Income from Car Parking	(7,352,574)	(7,341,574)	(11,000)	Income slightly higher than budgeted Since the COVID-19 lockdown restrictions, we have seen reduced numbers in our car parks. Whilst these are gradually recovering, it is still not clear if there are now lower levels of activity in the Bury St Edmunds central car parks due to longer term behavioural change, shorter term impacts from the cost of fuel or lower available disposable income. This will continue to be closely monitored on an ongoing basis; however, it is uncertain how quickly this trend will develop, and how any customer behavioural changes will impact on our income in the short and medium term. This lower income expectation was factored into the 2023 to 2024 budget. The indications for the year so far are that the forecast outturn position will be in line with our budgeted amount for town centre parking, and slightly above budget for our leisure sites by around (£11,000).
Income from Solar Farm and other energy initiatives	(3,830,778)	(3,831,630)	852	Overall income forecast in line with budget Based on generation to date, income from the Toggam Solar Farm is currently forecast to exceed the budget for this financial year by around (£15,000). The total forecast income for 2023 to 2024 is (£3,235,000). Income from feed-in tariffs is currently forecasted to be slightly lower than budgeted, (£570,000) against a budget of (£585,000).

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Licensing	(438,583)	(451,732)	13,149	Income lower than budgeted Licensing income levels are generally showing signs of recovery, however the current forecast year end position is showing a shortfall of around £13,000.
Income from Markets	(260,700)	(260,700)	0	Forecast income in line with budget: Market income has struggled to recover to pre-pandemic levels. This lower income expectation was factored into the 2023 to 2024 budget, and based on the year to date it is anticipated that market fees will be on budget.
Income from other sales	(1,900,814)	(1,990,423)	89,609	Overall income lower than budgeted: Income lower than budgeted £30,000 Battery Energy Storage System (BESS) income at West Suffolk House, as a result of an increasingly competitive sales market. Options are currently being pursued by the service in order to maximise income going forward. £37,000 forecast shortfall in Land Charges income, based on current levels. This is currently being affected by the slowdown in the housing market, and is in addition to the £70,000 reduction as part of the 2023 to 2024 budget setting process, reflecting the migration of Local Land Charges (LLC1) income to HM Land Registry. £11,000 General Landscaping, as a result of prioritising internal demand from council owned land across the District. Increased council demand was factored into the 2023 to 2024 budget, and will continue to be reviewed. Plus several smaller variances across the services.
Income from Rentals	(7,013,308)	(7,040,941)	27,633	Overall forecast income lower than budgeted: Income higher than budgeted (£15,000) improved income expectations from land, temporary accommodation and other property Income lower than budgeted: £43,000 income lower than budgeted, including a forecast shortfall of £50,000 on retail units within the property portfolio.

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from investment interest and dividends received	(2,495,080)	(1,465,275)	(1,029,805)	<p>Income higher than budgeted Mainly due to Investment interest, based on higher balances than originally anticipated and improved rates due to increases in the Bank of England base rate. Also includes an additional £300,000 over the assumed budgeted dividend from Barley Homes.</p> <p>Currently forecasting that this amount will be transferred to the Capital Financing reserve in anticipation of future interest rate and investment fluctuations.</p>
Total income from Sales, contributions and reimbursements:	(38,264,415)	(37,263,268)	(1,001,147)	
Total income (excluding Benefits):	(65,236,037)	(64,235,427)	(1,000,610)	
Expenditure - total cost of employment	31,289,962	31,283,086	6,876	<p>Employment costs higher than budgeted This heading includes basic pay and associated oncosts such as employers national insurance and pension, plus costs of agency staff, recruitment, training and so on. It also includes an allowance of around 2.5 per cent to allow for vacancies and recruitment timings during the year.</p> <p>The small year end forecast overspend is mainly due to increased anticipated spend on overtime and agency costs, arising from vacancies within services that need to be covered. At this point in time the forecast assumes a 4 per cent pay rise in line with the approved budget, any increase in the agreed settlement will result in additional pressure on this budget.</p>
Percentage of total spend	48.3%	49.4%	0.5%	

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn	Annual budget	Net (positive) or negative forecast variance	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	
Expenditure - premises costs	7,169,307	7,006,529	162,778	<p>Overall forecast spend higher than budgeted:</p> <p>Spend higher than budgeted £181,000 Gas higher than budgeted, due to increased unit and standing charges. Overspend relates mainly to operational buildings £117,000 and commercial estate £37,000. It should be noted that a large proportion of these costs are recharged to the council's tenants and partners. £6,000 water charges £17,000 Increased building and plant repair and maintenance costs, after allowing for funding from the maintenance reserve £16,000 Increased facilities costs, in part due to additional provisions at provincial house Haverhill, an element recharged where buildings shared £47,000 Other premises costs (Council Tax, insurance, service charges and so on).</p> <p>Spend lower than budgeted: (£23,000) electricity charges, reflecting the revised budget and contractual changes (£75,000) reduced Business rates costs as a result of revaluations.</p>
Percentage of total spend	11.1%	11.1%	12.0%	
Expenditure - transport and related costs	1,882,143	2,026,110	(143,967)	<p>Overall forecast spend lower than budgeted:</p> <p>Spend higher than budgeted £10,000 spare parts - external, used in order to generate additional vehicle workshop income</p> <p>Spend lower than budgeted: (£113k) Vehicle fuel, due to the reduction in overall fuel prices (£50k) Hydrotreated Vegetable Oil (HVO) implementation timing</p>
Percentage of total spend	2.9%	3.2%	-10.6%	

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn	Annual budget	Net (positive) or negative forecast variance	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	
Expenditure - supplies and services costs	8,921,949	8,608,289	313,660	<p>Spend higher than budgeted:</p> <p>£90,000 Additional contribution required to the Planning reserve in respect of Local Plan spend £85,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice £29,000 fees in respect of planning appeals £20,000 increase in postage prices £19,000 Tools, equipment and materials purchases as a result of inflationary pressures £32,000 Subscriptions and other contributions (including £11,000 additional drainage board precepts as a result of inflationary pressures) £20,000 Services for rent and lease renewals advice and marketing, resulting in additional estates income</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	13.8%	13.6%	23.1%	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,980,526	2,876,388	104,138	<p>Spend higher than budgeted</p> <p>£31,000 increased costs for Haverhill Waste transfer station, reflecting inflationary pressures £31,000 increased costs for Mildenhall Hub, including postal costs which are recharged to partners £8,000 Event security (The Apex)</p> <p>Plus a number of smaller variances across various services.</p>
Percentage of total spend	4.6%	4.5%	7.7%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,268,900	2,268,900	0	<p>Spend in line with the budget</p> <p>These costs are tied in with our projected borrowing and Minimum Revenue Provision (MRP) requirements during the year.</p>
Percentage of total spend	3.5%	3.6%	0.0%	

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn	Annual budget	Net (positive) or negative forecast variance	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	10,212,422	9,297,550	914,872	Net overall contributions to reserves higher than budgeted Increased contributions to reserves: £1,030,000 contribution to capital financing reserve in respect of increased investment interest as detailed above, plus additional Barley Homes dividend in budgeted for 2024 to 2025. Reduced contribution to reserve: (£70,000) Civil Parking Enforcement as a result of increased costs (£29,000) lower S106 Monitoring contribution income forecast for the year Increased contributions from reserves: (£10,000) Abbey Gardens, donations reserve monies utilised towards special events (£5,000) Nowton Park new parking machine funded from Car Parking Reserve (£4,000) funding towards Electric Vehicle chargers from the Green Travel Plan
Percentage of total spend	15.8%	14.7%	67.4%	
Total expenditure (excluding Benefits):	64,725,209	63,366,852	1,358,357	
Net (surplus) or deficit:	(458,791)	(830,565)	371,774	
Transfers to(from) General Fund				
Transfer to General Fund	830,565	830,565	0	Approved contribution to General Fund in respect of 2022 to 2023 budgeted replenishment required
Part utilisation of General Fund	(371,774)	0	(371,774)	Additional contribution from the General Fund reserve to fund net pressures in year. General Fund balance at 31 March 2023 is £5m (agreed policy level)
Final year end variance after funding:	0	0	0	

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Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Resources and Property								
Western Way development	14,000,000	15,716	0	14,000,000	0	Report to Council (CAB/WS/22/068) in December 2022 approved continuation of this scheme, with a number of approval gateways built in.	73,000,000	Borrowing
Abbeycroft Leisure loan	500,000	0	0	0	(500,000)	Original loan facility agreed of £1m. Initial loan drawdown of £250,000 was made in July 2022. Second £250,000 was drawn down in March 2023. Unlikely to see further drawdowns this year.	500,000	Borrowing
Smartpay Set Up Costs	2,588	0	0	2,588	0	Upgrade to cash receipting system. Project now complete. Awaiting final invoices.	2,588	Revenues Reserves
Mildenhall Hub	100,000	(337,382)	0	100,000	0	Building is open and operational. Final account has been agreed and recharges made to partners. We are still working to the original delegation of cost neutral scheme at year 5 as per Overview and & Scrutiny committee report OS/WS/23/003. Budget relates to final elements of the original capital investment.	100,000	Borrowing
Asset Management Plan - Property								
Property Asset Management Plan.	695,000	0	0	695,000	0	Planned works programme. Funds moved into the appropriate project when scoped.	4,674,500	Revenue Reserves
Net Zero Plan - Asset Management Investment	1,033,957	4,627	0	1,033,957	0	Investment in the council's properties and vehicles in respect of energy saving and generation initiatives. Year 2 of the 4 year project. We are working towards a 2% return towards council services across asset management investment and EV Fleet investment as well as extension of the solar for business scheme in project W1007 below. This includes projects like installing solar panels, heat pumps as well as improving insulation, lighting, and roofs on our own properties to make them more energy efficient.	2,533,957	Borrowing
Parkway Multi-storey Car Park, Bury St Edmunds - structural works	241,375	244,008	0	244,008	2,633	Part of planned works programme. Works completed July 2023.	241,375	Revenue Reserves
West Stow Visitors Centre - roof renewal	100,000	10,295	0	100,000	0	Part of planned asset management works programme. Project is now complete but awaiting final invoices and retention sum.	100,000	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Athenaeum - south store building roof renewal	247,170	0	0	247,170	0	Part of planned asset management works programme. Planning was approved early June, expected to start on site January 2024.	247,170	Revenue Reserves
Units 2&3 Highbury Road Brandon	81,981	(13,744)	0	81,981	0	Part of planned asset management works programme prior to re-let. Project now complete but awaiting final invoices.	81,981	Revenue Reserves
Provincial House, Haverhill, urgent repair works	253,407	45,045	0	253,407	0	Landlord works to be funded primarily from the lease surrender premium held by the Council. Completion likely to be around September 2023.	253,407	Revenue Reserves
West Front and St Mary's Churchyard, Bury St Edmunds - Samson's Tower roofing works	100,000	17,778	0	100,000	0	Part of planned asset management works programme. Project is now complete but awaiting final invoices and retention sum.	100,000	Revenue Reserves
The Guineas Public Toilets, Newmarket - Refurbishment	200,000	84,192	0	200,000	0	Part of planned asset management works programme. Currently on site with expected completion expected around August/September 2023.	200,000	Revenue Reserves
Abbey Gardens Toilets, Bury St Edmunds	160,000	0	0	160,000	0	Part of planned asset management works programme. Project currently on hold, works expected to start January 2024.	160,000	Revenue Reserves
Recreation Ground Toilets, Haverhill - Roof Renewal	30,000	0	0	30,000	0	Part of planned asset management works programme. Project not yet started.	30,000	Revenue Reserves
Bunting Road, Bury St Edmunds - Energy Performance Certificate (EPC) Rating Changes	100,000	2,272	0	100,000	0	Part of planned asset management works programme prior to re-let. Re-roofing of unit 7. This is now complete but awaiting final invoices.	100,000	Revenue Reserves
11 Hollands Road, Haverhill - Roof renewal and refurbishment	78,944	75,473		78,944	0	Part of planned asset management works programme prior to re-let. Completion expected to be around end of August 2023.	78,944	Revenue Reserves
The Lodge, Brandon Country Park refurbishment	69,416	51,587		69,416	0	Part of planned asset management works programme prior to re-let. Mostly complete, but waiting for electricity connection.	69,416	Revenue Reserves
Provincial House - Landlord Alterations	500,000	196,570		500,000	0	Part of planned asset management works programme prior to re-let. Completion likely to be around September 2023.	500,000	Revenue Reserves
EV Charging - Olding Road Car park	32,960	32,960		32,960	0	Project now complete.	32,960	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Families and Communities								
Customer Access project	71,658	0	0	0	(71,658)	This is for the next phase of CCP and then Granicus. The customer contact centre is due to be upgraded in early August.	71,658	Capital Receipts
Abbotts House - Refurbishment (£450K)	450,000	2,970		450,000	0	Refurbishment funded from a combination of housing funds, net zero funds and building maintenance funds.	450,000	Borrowing/ Revenue Reserves
Cobblers Court	341,150	0		341,150	0	Will be used for temporary accommodation. Purchase cost of £255,000 with additional costs for some renovation work including converting a downstairs office into an additional room.	341,150	Capital Receipts/Borrowing
Human Resources, Governance and Regulatory Services								
Private Sector Disabled Facilities Grants (DFGs)	1,013,494	326,243	0	1,013,494	0	Revised budget for the year includes £113,494 brought forward from 2022 to 2023. Recent fast track developments in the service should have ensured that works are approved and completed more quickly. Funded externally.	3,713,494	Grant Funding
Community Energy Plan and Net Zero Plan	3,036,998	192,084	0	3,036,998	0	The revised budget comprises £1.25 million Net Zero investment, £0.5 million Community Energy Plan plus the unspent budget from the previous financial year. The council continues to invest in this project in line with the expected pipeline.	6,036,998	Borrowing/ Revenue Reserves
Operations								
Car parking improvements: Newmarket Car parking improvements	80,000	0	0	80,000	0	Improvements being funded from the Car Park Reserve. Currently still in planning phase to understand the full resurfacing requirements before work commences.	80,000	Revenue Reserves
Car parking improvements: Ram Meadow, Bury St Edmunds improvements	98,650	0	0	98,650	0	Improvements being funded from the Car Park Reserve. Works expected to start at the end of July 2023.	98,650	Revenue Reserves
Car parking improvements: Electric Vehicle (EV) charging points	14,571	0	0	14,571	0	Additional EV charging points are currently being scoped out.	14,571	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Car parking improvements: Car park in Clare (subject to business case)	100,000	0	0	100,000	0	Improvements being funded from the Car Park Reserve. Works expected to commence this year, subject to business case approval.	100,000	Revenue Reserves
Vehicle and plant purchases	1,367,598	177,394	0	1,367,598	0	In line with the vehicle replacement programme.	5,271,398	Revenue Reserves
Net Zero Plan - Electric Vehicle fleet investment	538,322	0	0	538,322	0	Funds the extra over cost of replacing vehicles with electric versions	1,048,322	Revenue Reserves
Audio-Visual Equipment, West Suffolk House	169,682	169,682		169,682	0	Audio Visual Equipment installed in the West Suffolk House Conference Room to enable hybrid meetings. Partially funded by Suffolk County Council.	169,682	Contributions/ Revenue Reserves
Vehicle Wash Down Area at WSOH	100,000	1,870		100,000	0	To create an alternative lorry wash down area at WSOH for smaller vehicles and plant. Funded from the original WSOH budget.	100,000	Borrowing
Community Sports Facility - Moreton Hall, Bury St Edmunds	1,552,500	0	0	1,552,500	0	The project partners are finalising the legal details. The project relates to the Skyliner project completed in 2016 to 2017	1,552,500	Capital Receipts
Asset Management Plan - Leisure								
Leisure Asset Management Plan	0	0	0	0	0	Projects are allocated when identified during the year, including ongoing review of leisure projects to ensure reserve is not over utilised.	900,000	
Babwell Meadows Landscaping	28,074	0	0	28,074	0	Project under review. Expecting this to commence this financial year.	28,074	Revenue Reserves
Mildenhall Hub - Creation of a Pump Track	49,740	0	0	49,740	0	Work expected to commence this year. Supplier has now been appointed.	49,740	Revenue Reserves
St Johns Close Recreation Ground, Mildenhall - renewal of MUGA	60,000	0	0	0	(60,000)	Works expected to be completed in the next financial year.	60,000	Revenue Reserves
Flying Fortress - Water Fountain	6,593	6,593		6,593	0	Works expected to be completed in this financial year.	6,593	Grant Funded
Abbey Gardens - new items of play equipment	9,036	9,036		9,036	0	Works completed.	9,036	S106 Funded
Henry Close, Haverhill - Play area renewal (£59k) part S106 funded	58,652	0		58,652	0	Contract has been awarded to contractor. Work is scheduled to take place around October 2023 after the summer holiday period.	58,652	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
St James Park, BSE - Play area renewal (£60k) part S106 funded	60,000	8,243		60,000	0	Contract has been awarded to contractor. Work is scheduled to take place around October 2023 after the summer holiday period.	60,000	Revenue Reserves
Peterhouse Close, Mildenhall, Play area renewal (£60k)	60,000	0		60,000	0	Contract has been awarded to contractor. Work is scheduled to take place around October 2023 after the summer holiday period.	60,000	Revenue Reserves
Granby Street, Newmarket - Play area renewal (£35k) part S106 funded	35,000	0		35,000	0	Contract has been awarded to contractor. Work is scheduled to take place around October 2023 after the summer holiday period.	35,000	Revenue Reserves
Gainsborough Recreation Ground, BSE - Replacement play equipment (£30k)	30,000	0		30,000	0	Contract has been awarded to contractor. Work is scheduled to take place around October 2023 after the summer holiday period.	30,000	Revenue Reserves
Planning and Growth								
Traveller Sites	6,970	1,784	0	6,970	0	This is in relation to work on a site on Rougham Hill. This is funded by a grant from central government.	6,970	Grant Funded
Barley Homes.	6,700,000	0	0	1,000,000	(5,700,000)	Work continues to progress on future pipeline sites. Depending on timing of potential land purchases the spend on this could be higher.	12,950,000	Capital Receipts
High Street, Haverhill - improvements	693,000	0	0	0	(693,000)	External grant funded. Fund to be reviewed.	693,000	Grant Funded
Investing in our Growth Agenda	16,266,147	(34,395)	0	500,000	(15,766,147)	Fund to be used for investments identified that ensure a balanced blend of return which provide wider strategic, place-shaping, social and economic benefits. Carry forward relates to agreed project timings and uncommitted balance.	19,266,147	Borrowing
17 to 18 Cornhill, Bury St Edmunds - renovation	10,792	(84,717)	0	10,792	0	Works commenced in September 2020. Completion occurred in March 2023, with first flat sales at the end of March 2023. Final account process in progress.	10,792	Borrowing
Haverhill Research Park - loan facility	586,818	0	0	0	(586,818)	Epicentre building that loan was being used to fund is complete - only potential further call on facility is capitalisation of interest. Value of loan drawdown is £2,913,182, from a total loan facility of £3,500,000.	586,818	Borrowing

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Suffolk Business Park - Incubation Units	4,598,716	144,902	0	1,500,000	(3,098,716)	Report to Cabinet and Council (CAB/WS/21/052) - currently working through design stages.	12,100,000	Borrowing
Totals:	56,720,959	1,351,086	48,099	30,247,253	(26,473,706)		148,965,543	

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Strategic reserves.							
Strategic Priorities and Medium Term Financial Strategy (MTFS) reserve.	5,316,430	798,249	6,114,679	798,249	6,114,679	0	<p>This reserve is primarily comprised of monies received in respect of the New Homes Bonus grant, set aside as agreed to support the delivery of the council's priorities and medium term financial strategy. The New Homes Bonus grant for 2023 to 2024 totalling £1,756,000 has been contributed to this reserve in full.</p> <p>The year end balance is forecast to be on budget, and includes the following contributions from the reserve: (£548,000) Community Chest and Locality Budget funding (£300,000) Funding for integrated health and leisure pathways (£109,000) Lifelink Project funding, monies from external bodies and the Business Rates Pilot having been previously contributed to this reserve</p>
Investing in our Growth Agenda reserve.	691,304	(123,850)	567,454	(146,611)	544,693	(22,761)	<p>This reserve was set up in order to support the delivery of the council's growth agenda, current utilisation is primarily for staffing cost.</p> <p>The year end balance is lower than budgeted as a result of funding flat sale legal costs for 17/18 Cornhill, former Post Office development.</p>

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Business Rates Retention Pilot: place-based reserve.	1,633,053	(79,087)	1,553,966	(79,087)	1,553,966	0	<p>This reserve was set up to hold the benefit from the Suffolk 100 per cent business rate retention pilot in 2018 to 2019. To be utilised against projects as agreed by the district and county leaders in West Suffolk. This reserve is largely committed across the medium term financial strategy.</p> <p>Utilisation of this reserve during the year is forecast to be on budget, and is mainly in respect of: (£79,000) Lifelink project, representing the remaining funds from the original (£500,000) allocated to this project from Pilot monies</p>

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Financial planning reserves.							
Invest to save reserve.	4,619,262	589,554	5,208,816	473,560	5,092,822	(115,994)	The year end balance is lower than budgeted due to: (£54,000) funding for transformational review staffing costs (£12,000) project feasibility funding (£50,000) net higher utilisation of budgeted funding across various services due to structure changes and vacancies.
Business Rates Retention equalisation reserve.	7,714,967	(300,504)	7,414,463	(105,410)	7,609,557	195,094	This reserve is intended to neutralise the impact of any fluctuations in growth or reductions in Business Rates income under the Business Rates Retention Scheme, primarily relating to statutory timing differences and appeal costs. The year end balance is higher than budgeted. This is as a result of a £350,000 forecast reduction increase in S31 grants, (£750,000) increased Suffolk Pool income, and a £204,000 increased levy payable to the Suffolk Pool. See also appendix B.
Housing Benefits equalisation reserve.	581,921	0	581,921	0	581,921	0	This reserve is utilised in order to smooth out the effect of variations between the amounts of Housing Benefits paid out and subsequently grant funded by Department of Works and Pensions (DWP).

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Capital project financing reserve.	6,548,067	0	6,548,067	2,371,638	8,919,705	2,371,638	<p>This Reserve was set up in order to facilitate the capital financing requirements of the council, and to account for fluctuations and timing differences in the expected spend profile and interest rates. Fund will be utilised in the medium term towards the increased cost of borrowing.</p> <p>The increased balance at the year end is due to higher contributions relating to savings in interest payable budgets in year whilst the council's treasury management approach utilises internal funds.</p>
Self insured reserve.	363,175	0	363,175	0	363,175	0	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election reserve.	306,506	(140,000)	166,506	(71,560)	234,946	68,440	Monies set aside each year in order to fund the local elections when required. Additional monies received in-year for New Burdens Funding.
Planning reserve.	306,413	23,627	330,040	(209,579)	96,834	(233,206)	Monies set aside in order to fund the Local Plan and other planning-related expenditure.

Earmarked reserves year end outturn position - June 2023

Appendix D

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Service delivery reserves.							
Computer and telephone equipment reserve.	89,354	0	89,354	0	89,354	0	Monies set aside for major ICT hardware refreshes and software purchases and upgrades.
Office equipment reserve.	321,373	54,000	375,373	54,000	375,373	0	Monies set aside to purchase significant replacement items of office equipment.
Anglia Revenues Partnership reserve.	748,813	4,616	753,429	(54,165)	694,648	(58,781)	Government grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage. Year end balance is forecasted to be lower than budgeted as a result of funding the forecast ARP deficit for 2023 to 2024.
Vehicle, plant and equipment reserve.	1,195,210	1,326,878	2,522,088	1,326,878	2,522,088	0	This reserve is utilised to fund the council's vehicle replacement programme. Year end balance forecast to be on budget (see also appendix C).
Waste management reserve.	172,242	(34,850)	137,392	(34,850)	137,392	0	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including wheeled bins and associated equipment. The year end forecast is currently in line with the budget.

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Building repairs reserve property.	5,163,006	(388,257)	4,774,749	(155,152)	5,007,854	233,105	Higher closing balance than budgeted, mainly as a result of timing in capital spend (see also Appendix C).
Industrial unit service charge reserve.	113,977	0	113,977	5,592	119,569	5,592	This reserve holds monies received in respect of service charges which are intended to be utilised on specific industrial estate works.
Car Park development reserve	943,083	(327,429)	615,654	(162,317)	780,766	165,112	This reserve holds monies set aside from parking income which are intended to be utilised on car park improvements and developments. The year end balance is higher than budgeted due to lower spend on the capital programme as a result of project timings (see also appendix C).
Industrial rent reserve.	591,724	(253,407)	338,317	(329,637)	262,087	(76,230)	Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill, plus Provincial House, Haverhill works. The current year end position is forecast to be lower than budgeted as a result of funding Provincial House holding costs.
Building repairs reserve leisure.	260,761	(84,701)	176,060	(103,443)	157,318	(18,742)	This reserve is utilised in order to fund the Leisure Capital programme. Lower year end balance than budgeted due to project timings as further outlined in appendix C.

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Abbey Gardens donation reserve.	38,766	0	38,766	(9,750)	29,016	(9,750)	Monies held for the improvement of the Abbey Gardens, Bury St Edmunds. Monies utilised in the year towards special events at the Abbey Gardens.
Newmarket Stallion statue reserve.	20,809	0	20,809	0	20,809	0	Monies held for the maintenance and repair of the Newmarket Stallion statue.
Housing Options reserve.	2,145,071	(165,976)	1,979,095	(47,733)	2,097,338	118,243	This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options team and associated expenditure. Year end balance higher than budgeted due to some additional grant contributions, plus lower utilisation within the service than anticipated due to vacancies and reduced spend.
Section 106 reserves.							
Commuted maintenance reserve.	1,360,138	(82,930)	1,277,208	(82,930)	1,277,208	0	Monies received from developers in order to maintain additional play areas and public open space adopted.
Public Service Village reserve.	79,699	(32,960)	46,739	(37,253)	42,446	(4,293)	Section 106 monies to be utilised to fund the council's Green Travel scheme and associated initiatives. Utilisation during the year relates to provision of Electric Vehicle (EV) Chargers.
Section 106 monitoring officer reserve.	6,543	(8,084)	(1,541)	(6,543)	0	1,541	This reserve is utilised in order to fund the Section 106 Monitoring Officer post.

Earmarked reserves year end outturn position - June 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Section 106 revenue reserve.	80,287	0	80,287	0	80,287	0	Monies held in respect of revenue Section 106 contributions received. No movement in the year.
Other reserves.							
Gershom Parkington reserve.	585,892	2,258	588,150	2,258	588,150	0	Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.
Reserves totals:	41,997,846	777,147	42,774,993	3,396,155	45,394,001	2,619,008	

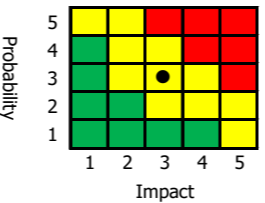
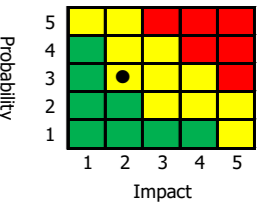
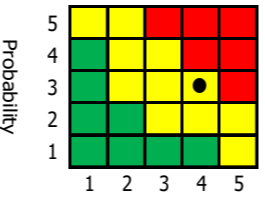
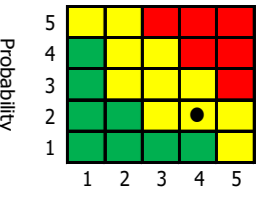
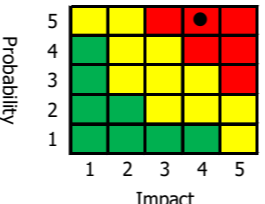
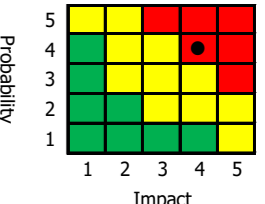
West Suffolk Strategic Risk Register 2022/23 - June 2023

Type: A = Action, C = Control

RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS1	10-Jul-14	Financial	Director & Portfolio Holders- Resources and Property	Financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		C	1) Monthly monitoring reports (revenue and capital) to budget holders and Leadership Team. Quarterly revenue and capital monitoring reports to PASC.	Director - Resources & Property	N/A	N/A	
							C	2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Director - Resources & Property	N/A	N/A	
							C	3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							A	5) Ongoing financial system upgrade/development in order to take advantage of latest budget planning / monitoring functionality.	LT		Ongoing	
							A	6) Continue to review and strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, (also see WS18),Risk management, Project monitoring, Financial Reporting.	LT	Apr-17	Ongoing	
							C	7) Regular updates of projects, assessment of any additional risks associated with new projects.	LT	N/A	N/A	
							C	8) Monitoring of investment decisions and original business cases targets/outcomes through Business Partner Model. Will also seek external advice when relevant.	Director - Resources & Property	N/A	N/A	
							C	9) Longer term financial planning across MTFS. To include implications of Fair Funding review.	Director - Resources & Property	Sep-16	N/A	
							A	10) Utilise Suffolk wide Business Rates monitoring and forecasting tool to assist with control #2 above. Input from Economic Development included to improve accuracy.	Director - Resources & Property	Jul-17	Ongoing	
WS2	10-Jul-14	Financial	Director & Portfolio Holders- Resources and Property	Financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		A	1) Annual Budget preparation focus on MTFS and key uncertainties including Fair Funding Review, New Homes Bonus Business Rate Retention.Delivery on six MTFS themes.	LT	N/A	N/A	
							C	2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Director - Resources and Property	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							C	5) Monitor Government statements on future of local government funding and lobby as necessary.	LT	N/A	N/A	
							C	6) New investment proposals to be considered through the Councils governance and decision making process including challenge by Business Partners.	LT	N/A	N/A	
							C	7) Use of data and intelligence in forecasting future scenarios.	LT	N/A	N/A	
							A	8) Utilise Suffolk wide Business Rates monitoring and forecasting to assist with forecasting and financial planning across the MTFS.	Director - Resources and Property	Jul-17	On-going	

West Suffolk Strategic Risk Register 2022/23 - June 2023

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RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS3	10-Jul-14	Customer	Chief Executive	Maintain and promote our public image, maintain effective communications	Lack of public trust and confidence in the council leads to a poor reputation. The council needs to champion it's area and be a trusted part of the community. It is vital therefore in making sure people access services, which often means the handling of sensitive information, that the council has a strong reputation. This is also the case in working with communities to deliver growth or large projects as well as in times of crisis, when the council must be a trusted source of information. Therefore the council needs a good reputation to enter positive partnerships with others, or secure funding. This could also potentially impact on our ability to recruit staff in competitive market.		C	1) Monitor and measure media coverage through daily media alerts and, where appropriate, provide a robust response.	Service Manager (Strategic Communications)	N/A	N/A	
							C	2) Public stakeholders and partners have a range of channels including news and social media to disseminate information about West Suffolk services and strategic priorities and address errors or misrepresentation.	Service Manager (Strategic Communications)	N/A	N/A	
							C	3) Close liaison with local and national partners on coordinated communications on multi-agency issues.	Service Manager (Strategic Communications)	N/A	N/A	
							C	4) Train and support staff and Members in proactive communications, liaising with the media and using social media platforms.	Service Manager (Strategic Communications)	N/A	N/A	
							C	5) Deliver strategic communications plan and work with them to engage appropriately with communities to encourage channel shift.	Service Manager (Strategic Communications)	N/A	On-going	
							A	6) Ensure that appropriate communications planning and support are identified for strategic projects as per individual project plans	Service Manager (Strategic Communications)	Aug-14	On-going	
							C	7) Carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter.	Service Manager (Corporate Policy)	N/A	N/A	
WS4	10-Jul-14	Customer	Director & Portfolio Holders - Families & Communities	Adopt technological advances in managing the customer journey	Service delivery methods do not meet customer needs or expectations with potential to damage the council's reputation; customer expectations need to be understood and managed; council not appreciating and/or delivering methods of contact and response time which are expected by customers.		C	1) Continue to develop new web presence with full digital by default capability. Ensure that staff, councillors and external support/advisory services are aware of the councils' digital offer and benefits for use.	Director - Families & Communities	N/A	N/A	
							A	2) Working in the wider Suffolk system to enhance the customer experience.	Director - Families & Communities	Jun-18	On-going	
							C	3) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels. Ensure that delivery of the customer journey meets government guidance requirements.	Service Manager (Corporate Communications) and Service Manager (Customer Service)	N/A	N/A	
							A	4) Continue to explore technological options to support customer service delivery.	Service Manager (Corporate)	N/A	On-going	
WS5	10-Jul-14	Professional	Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Staff retention and recruitment. Staff trust, goodwill (morale), health and well-being.	Lack of staff with appropriate skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workload.		A	1) Workforce strategy revised in June 2022, focussing on developing our employer brand, promoting a flexible and agile workforce, supporting health and well-being, integrating diversity and inclusion and developing talent management linked to performance management. New leadership development programme introduced from Sept 2022. Continue to develop succession routes - apprentices and career pathways	Service Manager (HR, H&S and L&D)	Reviewed OD plan 2016	On-going	
							C	2) Regularly evaluate outcome of Performance Reviews to identify talent management to inform succession planning. New PDR scheme focuses on performance, pay progression and career progression	Service Manager (HR, H&S and L&D)	Jun-14	On-going	
							A	3) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel and Joint Negotiation Meeting for feedback, review and collective consideration of any actions required.	Service Manager (HR, H&S and L&D)	N/A	On-going	
							A	4) Salary benchmarking continues to be undertaken in order to ensure salaries are competitive. Monitor Recruitment to identify challenging areas to address. Maintain focus on strong employer brand.	Director - HR, Governance and Regulatory	N/A	On-going	
							C	5) Workforce Planning Meetings to assess need and closely monitor rising turnover and the recruitment challenge (e.g. HGV drivers) and consider any mitigating action that may be required to support services, such as redeployment. HR team exploring ways to review, streamline and speed up the recruitment process, including the introduction of a new approach to on-boarding	Director - HR, Governance and Regulatory	Nov-20	On-going	
							A	6) Wellbeing group established and initiatives regularly launched and communicated to all staff.	Director - HR, Governance and Regulatory	Nov-20	On-going	

West Suffolk Strategic Risk Register 2022/23 - June 2023

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WS6	10-Jul-14	Political	Chief Executive & Leader	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.		C	1) Understand and communicate priorities and expectations through Strategic Plan and MTFS. Assign dedicated corporate project resources to support new projects.	LT	N/A	On-going	
							A	2) Review and align service and skilled resources available to the strategic plan including communication resources.	LT	Jun-14	On-going	
							C	3) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	LT	N/A	N/A	
							C	4) Regular monitoring of KPIs to include complaints, compliments and trends.	LT	N/A	On-going	
							C	5) Ensure delivery of the customer journey matches government guidance requirements.	LT	Mar-20	On-going	
							C	6) Represent clear position of members to government through lobbying and DELTA returns.	LT	Mar-20	On-going	
WS7	10-Jul-14	Technological Financial Customer	Service Manager (Corporate Policy) / All Directors & Portfolio Holders	Project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		A	1) Maintain and develop an efficient programme and project management framework understanding timetabling and interdependencies between projects and programmes (led by Service Manager Corporate Policy).	Service Manager Corporate Policy	May-17	On-going	
							A	2) Maintain oversight of corporate project matrix at Leadership Team, to manage demands on services and resource appropriately.	Service Manager Corporate Policy	May-17	On-going	
							A	3) Training and support to staff involved in corporate projects including key project management skills.	L&D team/Service Manager Corporate Policy	May-17	On-going	
							C	4) Project support and resources to be included in future Project Initiation Documents and project business cases, including support services such as: ICT, Finance, Legal and Property	LT and All Service Managers	May-17	On-going	
							C	5) Early identification of Corporate capacity / priorities as part of business plan / project initiation. Review of programmes to assist with prioritisation.	LT	May-17	On-going	
							C	6) Carry out Project Close Out Reports, Project Assurance, Benefit Realisation reviews and Project Health Checks as appropriate.	LT and All Service Managers	May-17	On-going	
WS8	10-Jul-14	Technological	Director & Portfolio Holders- Families & Communities	ICT integration	Integration of ICT across services and systems not being achieved. Failure to keep Business Applications aligned.		A	1) Maintain alignment of ICT infrastructure and corporate systems through corporate project planning (ICT Board)	Infrastructure Support Manager	Jun-14	On-going	
							A	2) Continued Business Applications integration / alignment including remote working.	Project Managers & Service Manager (ICT)	Jun-14	Individual project plans	
							C	3) Regular review of both integration programmes for strategic fit and resources/skills capacity through corporate projects plan.	Service Manager Corporate Policy/ LT	N/A	N/A	
							C	4) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff profiles. No tolerance approach adopted.	Infrastructure Support Manager	N/A	N/A	
							A	5) Develop the council's digital framework to ensure there are links to wider integration between systems and services.	Service Manager (ICT)	N/A	Complete	

West Suffolk Strategic Risk Register 2022/23 - June 2023

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RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS9	10-Jul-14 (a)	Political	Director & Portfolio Holders- Families & Communities	Deliver; Families & Communities agenda	Opportunities being missed to create or influence the provision of: (i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable (ii) people playing a greater role in determining the future of their communities (iii). improved wellbeing, physical and mental health (iv) accessible countryside and green spaces		A	1) Community Chest consideration part of the Review of Grants to External Organisations. Grant review recommendations agreed by Cabinet. Grant guidance and Community Chest progress agreed.	Service Manager (Families & Communities)	Apr-19	On-going	
							C	2) Families and Communities Officers continue to work closely with Councillors on a variety of projects and initiatives.	Service Manager (Families & Communities)	N/A	On-going	
							A	3) Community Chest funds are subject to quarterly monitoring and reported to Grant Working Party. Locality Budgets are allocated by Councillors but supported by Families and Communities Officers. Portfolio Holder and F&C officers continue to remind Cllrs to allocate funding before financial year end.	Service Manager (Families & Communities)	Oct-13	On-going	
							A	4) Families and Communities monitor and evaluate the impact of initiatives/projects in localities. Including qualitative (in the form of case studies) and quantitative information.	Service Manager (Families & Communities)	Jun-18	Ongoing	
							A	5) Extensive ongoing partnership work, including County Lines, homelessness and refugees. West Suffolk Council is a partner in the West Suffolk Alliance which includes health and care partners.	Service Manager (Families & Communities)	Jun-18	Ongoing	
	(b)	Director & Portfolio Holders - Growth	Deliver; Growth Agenda inc coping with growth and increase in demand	Opportunities being missed to create or influence the provision of: (i) beneficial growth that enhances prosperity and quality of life (ii) existing businesses that are thriving and new businesses brought to the area (iii) people with the educational attainment and skills needed in our local economy (iv) vibrant, attractive and clean high streets, village centres and markets		C	1) Developing engagement with the Local Enterprise Partnership and supporting development of the combined authority business board. Monitoring the local economy.	Director - Planning and Growth	N/A	N/A		
						C	2) Deliver Growth Delivery Plan.	Director - Planning and Growth	N/A	N/A		
						C	3) Deliver on the Investing for Growth Strategy. Report progress through Balanced Scorecards.	Director - Planning and Growth	N/A	N/A		
						C	4) Small budget to support businesses with grants. Business rate income being closely monitored from April 2013 by ARP. Developing Inward Investment strategy. Increase Business engagement	Director - Planning and Growth	N/A	N/A		
						C	5) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels.	Director - Planning and Growth	N/A	N/A		
						C	6) Continue to develop close working relationships with Whitehall, Norfolk partners, LEPS to influence the design of any devolution agreements and business rates retention schemes.	Director - Planning and Growth	N/A	N/A		
						A	7) Development and delivery of Local Plans	Director - Planning and Growth	N/A	N/A		
						A	8) Continued liaison with providers Menta and Oxford Innovation to supporting new start up growth and activities at Bury St Edmunds and Epicentre Haverhill.	Director - Planning and Growth	N/A	N/A		
						A	9) Development of funding pipeline of projects and signposting businesses to available grants as well as working with the CNTC partnership to roll out the funding fit programme to relevant businesses.	Director - Planning and Growth	N/A	N/A		

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	(c)		Director & Portfolio Holders - Growth, Families & Communities and Planning.	Deliver; Housing Agenda	<p>Opportunities being missed to create or influence the provision of:</p> <p>(i) sufficient housing for current and future generations, including more affordable homes and improvements to existing housing</p> <p>(ii) new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing</p> <p>(iii) homes that are flexible for people's changing needs</p>		<p>C 1) West Suffolk Housing strategy adopted, implementation of agreed Action Plan, with annual monitoring.</p> <p>C 2) West Suffolk Choice Based Lettings Scheme regularly reviewed to reflect changes in legislation. Operation of scheme monitored through CBL Management Board.</p> <p>A 3) Review of West Suffolk Lettings Partnership to ensure that the package of support provided meets the needs of the landlords and local housing market, particularly in light of Universal Credit and cost of living challenges.</p> <p>A 4) Disabled Facilities Grants process and Home Improvement Agency contract reviewed with partners in order to introduce a more co-ordinated and integrated service across agencies.</p> <p>A 5) Proceed with business plan and report on progress for Barley Homes (Group) Ltd to build open market, private rented and affordable housing.</p> <p>A 6) Undertook targeted consultation with market on supporting housing delivery. Actions now being implemented under the Housing Delivery Plan.</p> <p>A 7) Preparation of West Suffolk Local Plan.</p>	<p>Directors for Growth, Families</p> <p>Service Manager (Housing Options)</p> <p>Service Manager (Housing Options)</p> <p>Service Manager (Regulatory)</p> <p>Director - Planning and Growth</p> <p>Directors for Growth, Families and Communities and Planning</p> <p>Director - Planning and Growth</p>	<p>N/A</p> <p>N/A</p> <p>Apr-19</p> <p>Apr-14</p> <p>Apr-15</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>Tracked monthly through balanced scorecard.</p> <p>N/A</p> <p>N/A</p>		
WS10	10-Jul-14	Economic Financial Competitive	Chief Executive / Directors & Portfolio Holders	Adapt to new public sector models, explore opportunities with partners	The council fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration; or fails to take account of wider changes in national and local legislations, policy and structure proposals (including EU).		<p>C 1) Keep a watching brief on, and disseminate information on new policies (i.e. the Environment Bill, Resource & Waste Strategy), funding models and opportunities through DLUHC, RSN, LGA, EELGA etc.</p> <p>C 2) Maintain good relationships with public sector partners, e.g. CCG, SCOLT, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working.</p> <p>C 3) Robust business cases for identified opportunities.</p> <p>C 4) Keeping a watching brief on the new/changing National policies with Suffolk colleagues, including local government funding changes, county deal working and changes to healthcare governance and proposed structural changes for local government in Suffolk and the wider East Anglia area.</p> <p>A 5) Lead the integration and rationalisation of the public estate through membership, and local leadership, of the Government's One Public Estate Programme.</p> <p>A 6) Explore shared services opportunities with other Local Authorities.</p>	<p>LT</p> <p>Chief Executive and Directors</p> <p>LT</p> <p>Chief Executive and Directors</p> <p>Director</p> <p>LT</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>Jul-14</p> <p>Apr-15</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>On-going</p> <p>On-going</p>		

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WS11	10-Jul-14	Partnership	Director & Portfolio Holders - Growth	Loss of a key employer or industry.	Failure to retain major employers in the area and the economic impact that it would have		A	1) Liaison with the key employers to understand issues and opportunities by: coordinating and attending the West Suffolk Business Forum; organising the West Suffolk Business Festival (which provides opportunities for engagement with key employers); arranging visits to key employers for Leadership Team; promoting the ED team as a key point of contact for businesses and as a result responding to concerns and issues raised; and meeting and supporting business leaders in conjunction with the New Anglia Local Enterprise Partnership Growth Hub advisors.	Director - Planning and Growth	Jun-14	On-going	
							C	2) Ensuring there is sufficient employment land / premises for expansion.	Director - Planning and Growth	N/A	N/A	
							C	3) Understand skills shortage and requirements by linking business to education providers and encourage businesses to take on apprentices.	Director - Planning and Growth	N/A	N/A	
							A	4) Help businesses access third party funding.	Director - Planning and Growth	Jun-14	On-going	
							A	5) Further development of the growth delivery plan.	Director - Planning and Growth	Jun-14	On-going	
							A	6) In the worst case scenario (actions 1 - 5 ineffective) the ED team liaises with key partners such as Job Centre Plus and West Suffolk College to mitigate the impact of downsizing/restructuring.	Director - Planning and Growth			
WS12	10-Jul-14	Partnership Financial	Directors & Portfolio Holders	Partner / Public Sector failure	Partners or partnerships failing or under strain; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		C	1) Ensure robust SLA (Service Level Agreement) & Joint Venture arrangements are in place. Ensure good due diligence procedures are used.	All Directors	N/A	N/A	
							C	2) Regular monitoring of arrangements / outcomes.	All Directors	Jun-14	N/A	
							A	3) Regular meetings with key partners, including Suffolk Resilience Forum, fortnightly Suffolk CEO meetings and supporting groups to discuss impact and potential response of the Suffolk wide system.	All Directors	Jun-14	On-going	
							C	4) Understand the cumulative impact of complex partnership delivery arrangements.	CEO and LT	Dec-15	N/A	
							A	5) Develop robust governance arrangements for council owned companies. Barley Homes Business Plan under review in detail as part of regular reporting.	LT	On-going	On-going	
							A	6) Continue to work with health and other partners to develop the integrated delivery of health and leisure.	LT	On-going	On-going	
WS13	10-Jul-14	Physical Social Legal	Director & Portfolio Holders	Service failure through unplanned events	Failure to deliver services to both internal and external clients due to unforeseen events.		A	1) Services must have a workable, up to date Business Continuity Plan in place.	All Directors/All staff	Aug-14	On-going	
							C	2) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised.	LT	N/A	N/A	
							C	3) Appointed officers within each service to be responsible for the continuity plans.	All Appointed Officers	N/A	N/A	
								Please also see WS14 - Breach of data protection and information security				
							A	5) Adoption of lessons learned from Carillion and Capita issues. Procurement and contract management policies updated.	LT	Apr-18	Ongoing	

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WS14	10-Jul-14	Legal	Director & Portfolio Holders	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data. Damage to council's reputation. Damage to individuals. Avoid legal challenge. Prevent potential claims for compensation. Financial penalty for failing to comply with GDPR		C	1) Information governance group coordinates councils' approach to risks.	Director	N/A	N/A	
							C	2) Regular monitoring to ensure information is held securely, including physical checks and provision of advice and guidance.	Service Manager (Internal Audit), Information	N/A	N/A	
							A	3) Improve staff and member communication on good practices and data security.	Service Manager (Corporate Communications)	Apr-14	On-going	
							A	4) Monitoring changes in service delivery and customer engagement to identify potential data protection and information security risks, along with potential action to mitigate these.	All SMS	Dec-20	On-going	
							A	5) Use of Information Sharing Agreements and Data Protection Impact Assessments where there are changes to data processing practices (including sharing of data).	Director - HR, Governance and Regulatory	N/A	On-going	
WS15	10-Jul-14	Customer Financial Professional	Chief Exec, Director & Portfolio Holders - Resources & Property	Service Performance	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		C	1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report.	Director - Resources & Property / R&P Business Partners	N/A	N/A	
							A	2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisers	Aug-14	On-going	
							C	3) Strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, Risk management, Project monitoring, Financial Reporting.	LT	Apr-17	Complete	
							C	4) Use PDR's to aid early identification of potential problem areas.	Line Managers	N/A	N/A	
							A	5) - Implications of implementing Business Continuity Plan on service delivery understood and communicated.				
	Please also see WS7 - Poor Project Management											
WS16	10-Jul-14	Economic Social	All Directors & Portfolio Holders	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		C	1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future Strategic Planning, Service Planning and Policy Development.	Director - Families and Communities/ Planning /Growth/Operations	N/A	N/A	
							A	2) Monitor, research and analysis around demographics through DLUHC, ONS, LGA, LGC and other sources and share key findings with relevant services.	Service Manager (Corporate Policy)	Jun-14	On-going	
							A	3) Attend meetings of Suffolk Office of Data and Analytics Partnership Management Group to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to population forecasts not being able to deal accurately with USAFE population.	Service Manager (Corporate Policy)	Jun-14	On-going	

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WS17	10-Jul-14	Physical	Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff and councillors. Failure to provide safe and healthy environment for visitors and the general public. Risk of HSE (Health & Safety Executive) prosecutions.		C	1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council.	Service Manager (HR, H&S and L&D)	N/A	N/A	
							A	2) Well being programme in place.	Service Manager (HR, H&S and L&D)	Jun-14	On-going	
							C	3) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme.	Service Manager (HR, H&S and L&D)	N/A	N/A	
							A	4) Communications to staff and councillors.	Service Manager (HR, H&S and L&D)	Jun-14	On-going	
							A	5) Appropriate insurances in place and regularly reviewed.	Service Manager (HR, H&S and L&D)	Jun-14	On-going	
							C	6) Continue a programme of health and safety audits according to H&S Risk.	Service Manager (HR, H&S and L&D)	N/A	N/A	
WS18	10-Jul-14	Social Legal	Service Manager & portfolio Holders- Strategic Housing	Safeguarding children and vulnerable adults	Failing to recognise and respond appropriately to safeguarding matters that could lead to a deterioration in individuals circumstances and potentially challenge to the Council's policies and procedures.		A	1) Working in Countywide safeguarding partnership - external annual S11 Audit of Council procedures and the annual self-assessment.	Director - Jill Korwin	Jul-09	On-going	
							C	2) Safe recruitment procedures are adopted for all staff recruitment.	Director - HR, Governance and Regulatory	Jul-09	On-going	
							A	3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme.	Service Manager-HR, Legal & Dem services	Jun-14	On-going	
							A	4) Ensure the Council has an up to date Safeguarding Policy that reflects legislative requirements.	Director	Nov-15	Ongoing	
							A	5) Develop toolkit for Staff and Councillors to deal with vulnerable individuals	Director - Jill Korwin	Dec-19	On-going	
WS19	06-Oct-17	Economic, Financial, Political, Legal	Directors & Portfolio Holders	Cyber Security	Failure to appropriately protect West Suffolk's systems and Services from Cyber Attack		A	1) User Education & Awareness - Update Info Sec training to include more detail on data protection and introduce new education programme for all staff.	Service Manager - Customer & Digital Services, HR	Oct-17	On-going	
							A	2) User Education & Awareness - Info Sec policy to be reviewed and disseminated to all staff (inc ARP) - and to be reviewed regularly	Service Manager - Customer & Digital Services, HR	Oct-17	On-going	
							A	3) Incident Management - Business continuity planning card to be finalised, tested and disseminated.	Service Manager - Customer & Digital Services, HR	Oct-17	On-going	
							A	4) Incident Management - Review of Business Continuity Plan to be finalised with the plan then agreed and published - this requiring a revisit of each service area to agree operational procedures and where stored to provide assurance that arrangements are in place in event of an incident	Service Manager - Customer & Digital Services, HR Business Partner	Oct-17	On-going	
							A	6) Secure Configuration - Carry out a user access / change control process for key systems, given that many are internet based.	Service Manager - Customer & Digital Services, HR Business Partner, Service Manager	Oct-17	On-going	

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WS20	04-Jan-19	Economic, Financial, Political, Legal	Directors & Portfolio Holders	Economic impact of rising costs on local business	Failure to manage the impact of rising inflation and increasing energy costs leading to loss of staff, supplier failure or West Suffolk business failure		A	1) Share information with businesses and business representatives about issues the Council is aware of that could impact on them and link them to sources of information.	Service Manager Economic development	Dec-18	On-going	
							A	2) Review suppliers and identify those that could be at risk in the current environment and make appropriate contingencies	All ADs	Dec-18	Complete	
							A	3) Monitor impact in partnership with NALEP and other Suffolk LAs and identify new issues and respond accordingly.	Director	Jan-21	Ongoing	
							A	4) Continue to maximise the use of renewables in all Council buildings.	Director- Resources & Property	N/A	Ongoing	
WS21	03-Apr-19	Economic, Financial, Political, Legal	Directors & Portfolio Holders	Environmental & Climate Change	Failure to address this could increase the emissions the Council generates, thus failing to improve environment and address climate change and damage the reputation of the Council.		A	1) Monitor activity and produce an annual Environmental Statement	Environment and Climate Change Task group	May-19	On going	
							A	2) Implement and track the Climate Change Action Plan including the Net Zero 2030 plan and the Council's Carbon Budget.	Environment and Climate Change Task group	May-20	On going	
							A	3) Implement and track the Council's £9m Decarbonisation Fund.	Director	Jun-22	On going	
							A	4) Continue to maximise the opportunities from external funding to address climate change challenges.	Director	Jun-22	On going	
WS22	03-Apr-19	Economic, Financial, Political, Legal	Directors & Portfolio Holders	Financial Impact on individuals due to rising cost of living, inflation etc.	Failure to address the challenges posed by increased demand on services as a result of increased personal debt in the region.		A	1) Monitor and report on outstanding debt position relating to UC, HB and CT through the Anglia Revenues Partnership.	Service Manager - Finance & Performance	May-19	On going	
							A	2) Monitor and report on demand on Homelessness Support through the Families & Communities team.	Service Manager - Housing Options	May-19	On going	
							A	3) Response to increasing demand built in to Suffolk-wide recovery work.	Director	Sep-20	On going	
WS23	09-Jun-23	Political	Directors & Portfolio Holders	Administration Transition	Failure to address the administrative and organisational challenges posed by significant change in the political leadership of the council.		A	1) Full member induction programme with individual service area training as required.	LT/Members	May-23	On going	
							A	2) National protocol for new administration followed and delivered.	LT/Members	May-23	On going	
							A	3) Programme for development of strategic priorities, corporate plan and MTFS established	LT/Members	Jun-23	On going	

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Annual Treasury Management and Financial Resilience Report 2022 to 2023

Report number:	FRS/WS/23/003	
Report to and date(s):	Financial Resilience Sub Committee	17 July 2023
	Performance and Audit Scrutiny Committee	27 July 2023
	Cabinet	19 September 2023
	Council	26 September 2023
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Tel: 01284 706542 Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Gregory Stevenson Service Manager – Finance and Performance Tel: 01284 757264 Email: gregory.stevenson@westsuffolk.gov.uk	

Decisions Plan: This item is included in the Decisions Plan.

Wards impacted: All

Recommendation: It is recommended that, the Financial Resilience Sub Committee:

1. **Notes** the Annual Treasury Management Report – 2022 to 2023; and
2. **Makes recommendations** as appropriate via the Performance and Audit Scrutiny Committee to Cabinet and Council.

1. Treasury Management and Financial Resilience Annual Report – 2022 to 2023

1.1 The report is part of the Councils' management and governance arrangements for Treasury Management activities under the CIPFA Code of Practice on Treasury Management. It provides a comprehensive assessment of treasury activities from 1 April 2022 to 31 March 2023.

1.2 CIPFA has adopted the following as its definition of treasury management activities:

The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

1.3 The strategy for these activities in 2022 to 2023 was laid out and approved at Performance and Audit Scrutiny Committee in January 2022.

[FRS\WS\22\002 Financial Resilience - Strategy Statement 2022 to 2023](#)

[FRS.WS.22.002 - Appendix 1 - Treasury Management Strategy Statement 2022](#)

2. Executive Summary

2.1 The Council held investments of £43,000,000 as at 31 March 2023. Interest achieved in the financial year amounted to £1,317,980.12 against a budget for the period of £45,000. This large over achievement of interest receivable is due in part to the increase in interest rates over the period (Bank of England Base Rate was 0.75 per cent on 1 April 2022 and increased to 4.25 per cent by 31 March 2023). Higher than expected cash levels also contributed to the over achievement of interest receivable.

2.2 External borrowing as at 31 March 2023 was £9,750,000, down from £14,000,000 at 1 April 2022. The reduction is mainly due to the early repayment of a £4,000,000 loan with Barclays Bank in March 2023. The Council's level of internal borrowing was £46,557,503 as at 31 March 2023.

2.3 Borrowing costs (Interest Payable and Minimum Revenue Provision - MRP) for the year were £1,181,407 against an approved budget of £2,268,350. This difference was placed in the Capital Projects Financing Reserve, which is intended to be used towards mitigating against potential future interest rate fluctuations.

3. Interest Earned from Treasury Investments during the year

3.1 The 2022 to 2023 Annual Treasury Management and Investment Strategy Statements (report [COU/WS/23/002](#) approved 22 February 2022) sets out the Council's projections for the current financial year. The budget for

investment income for 2022 to 2023 was £45,000 which is based on a 0.25 per cent target average rate of return on investments.

3.2 At the end of March 2023 interest actually earned during the financial year amounted to £1,317,980.12 (average rate of return of 1.582 per cent) against a budget for the year of £45,000 (average rate of return 0.25 per cent); a budgetary surplus of £1,272,980.12. The surplus is due to two main reasons, the council were holding considerable amounts of grant money pending distribution, so cash balances were higher than predicted and with the continuing volatility in the investment market, interest rates continue to change (overall increasing) almost daily.

3.3 The table below summaries the interest earned and the average rate of return achieved for the financial year.

Interest Earned and Average Rate of Return Summary			
Investment Category	Total Average Investment	Average Rate of Return (%)	Interest Earned in year
Temporary Investments (Term Deposits)	Nil		
Santander 365 Day Account	8,000,000	2.090%	167,066.77
Santander 95 Day Account	500,000	2.374%	11,867.79
Lloyds Treasury Account	6,592,285	2.536%	167,198.41
Barclays Deposit Account	5,660,273	0.496%	28,083.65
CCLA MMF	4,000,000	2.162%	86,482.13
Local Authorities	5,000,000	0.220%	7,473.97
HM Debt Management Office	4,234,322	1.910%	849,807.40
Total Overall Average Return on Investments %			1.582%
Total Interest Earned - 1 April 2022 to 31 March 2023			1,317,980.12

The table below summaries the investment activity (cash investment made and funds returned based on the Councils cash flow requirements/management) during the period 1 April 2022 to 31 March 2023:

3.4

Treasury Management – Investment Activity Summary	
	2022 to 2023 (£)
Opening Balance 01 April 2022	65,500,000
Investments made during the year (including transfers to business reserve accounts)	265,400,000
Sub Total	330,900,000
Investments realised during the year (including withdrawals from business reserve accounts)	287,900,000
Closing Balance 31 March 2023	43,000,000

3.5 The table below lists the investments held as at 31 March 2023

Investments held as at 31 March 2023				
Counterparty	Principal Amount (£)	Interest Rate	Date Loaned	Date Returned
Santander 365 Day	8,000,000	3.860%	01/04/22	365 day Notice
Santander 95 Day	500,000	3.680%	01/04/22	95 day Notice
Lloyds Treasury Account	10,000,000	2.530%	01/04/22	On call availability
Barclays Deposit Account	2,000,000	1.022%	01/04/22	On call availability
CCLA Money Market Fund	4,000,000	Variable	01/04/21	On call availability
HM Debt Man. Office	4,000,000	3.080%	01/11/22	28/04/23
HM Debt Man. Office	3,000,000	3.160%	15/11/22	15/05/23
HM Debt Man. Office	2,000,000	3.570%	19/12/22	19/06/23
HM Debt Man. Office	5,500,000	3.720%	10/01/23	10/07/23
HM Debt Man. Office	2,000,000	3.870%	14/02/23	14/04/23
HM Debt Man. Office	2,000,000	3.935%	10/03/23	19/04/23
There were no other fixed term investments				
Total	43,000,000			

Please note: The interest rates above are the rates as at 31 March 2023. Actual rates going forward could fluctuate.

3.6 The Council has an earmarked revenue reserve to mitigate against possible adverse fluctuations in the returns received from the council's investments and external borrowing costs, called the Capital Projects Financing Reserve. The balance in this reserve as at 31 March 2023 was £6,548,067.

4. Borrowing activity during the year

4.1 As with the 2021 to 2022 financial year, the Council continues to hold significant cash balances, see 3.4 above. A large amount of the funds currently being held are on behalf of others e.g., £8.8 million relates to Suffolk wide grants from the Department for Business, Energy and Industrial Strategy for which West Suffolk are acting as the lead partner.

4.2 With interest rates having increased and cash balances remaining healthy, no further external borrowing was undertaken in the 2022 to 2023 financial year.

- 4.3 The Council took advantage of the higher interest rate environment in the year to settle one of its long-term loans early. This was a £4,000,000 loan with Barclays Bank that was originally taken out in 2008, and due to mature in 2078. The loan was interest only, with no repayment of principal during the loan term. The interest rate on the loan was 4.24 per cent. The long duration of the loan, along with it being a repayment on maturity, meant this loan did not fit with the current Treasury Management strategy. With interest rates increasing, it meant that there was an opportunity to close out this loan with the early settlement cost (the cost to enable to exit the loan early) of only £72,209 (this compares to the annual interest cost of the loan being £169,600).
- 4.4 With this repayment of borrowing in the year, West Suffolk ended the year on 31 March 2022 with £9.75 million of external borrowing, which is a decrease of £4.25 million on the level it held on 1 April 2022.
- 4.5 The table below is a summary of the external borrowings and temporary loans as at 31 March 2023.

External Borrowings and Temporary Loans					
Lender	Balance – 1 April 2022 (£)	In Year Movement (£)	Balance - 31 March 2023 (£)	Interest Rate	Maturity date
Barclays Bank	4,000,000	-4,000,000	0	4.24%	Repaid
PWLB	10,000,000	-250,000	9,750,000	1.84%	1 December 2061

- 4.6 During the year the councils underlying need to borrow (Capital Financing Requirement – CFR) increased by £820,000. With the Council repaying £4.25 million of external borrowing in the year, the level of internal borrowing the council has increased by £5.07 million. This will help to reduce the level of interest rate risk the council is currently exposed to.
- 4.7 The table below details the change in the councils Capital Financing Requirement (underlying need to borrow) and level of internal borrowing during the year.

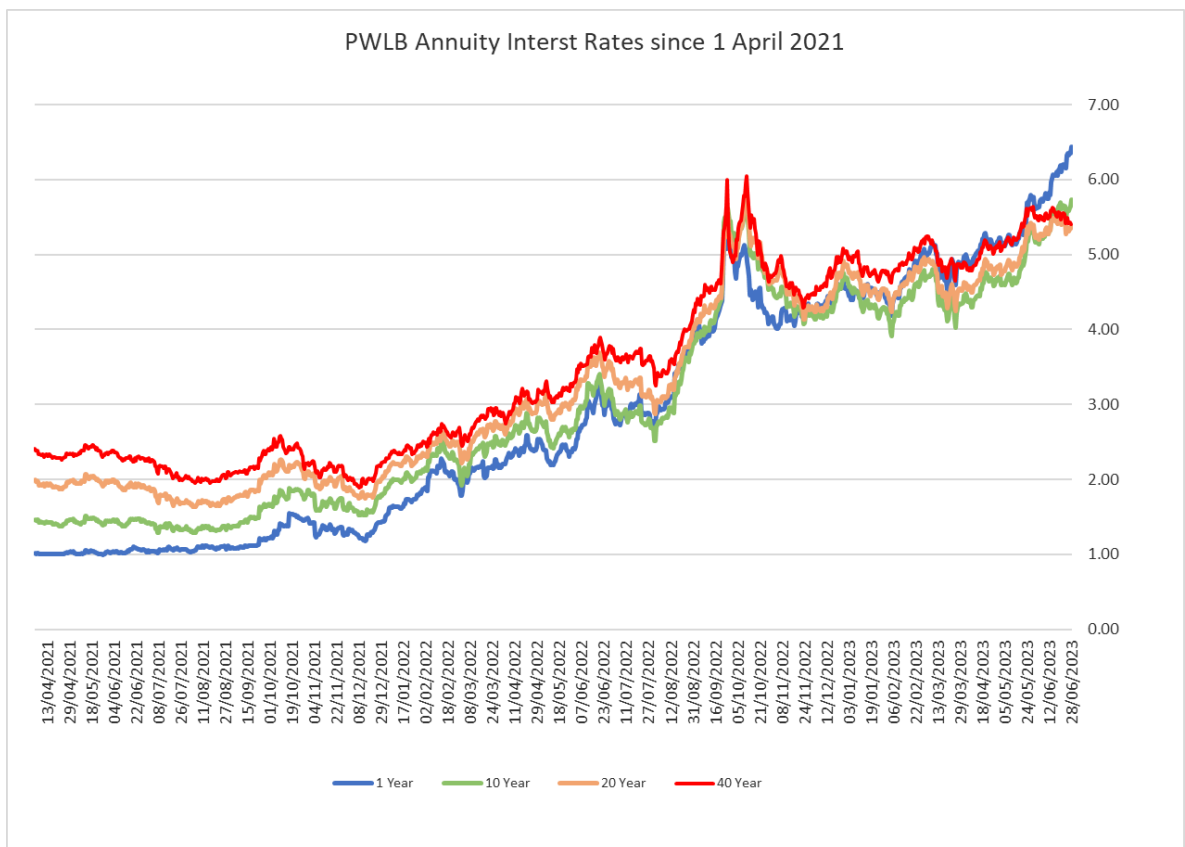
Capital Financing Requirement and Internal Borrowing			
	Balance – 1 April 2022 (£)	In Year Movement (£)	Balance – 31 March 2023 (£)
Total CFR	55,487,158	820,345	56,307,503
Less: External Borrowing	(14,000,000)	4,250,000	(9,750,000)
Internal Borrowing	41,487,158	5,070,345	46,557,503

5. Borrowing Strategy and Sources of Borrowing

5.1 As detailed in the 2022 to 2023 Treasury Management Strategy Statement, the current borrowing strategy is still to make short-term use of internal funds (internal borrowing). This is being continually monitored by the Council, along with Arlingclose (treasury advisors), to determine whether this is still the most optimal strategy or whether to look at borrowing additional sums at long-term fixed rates.

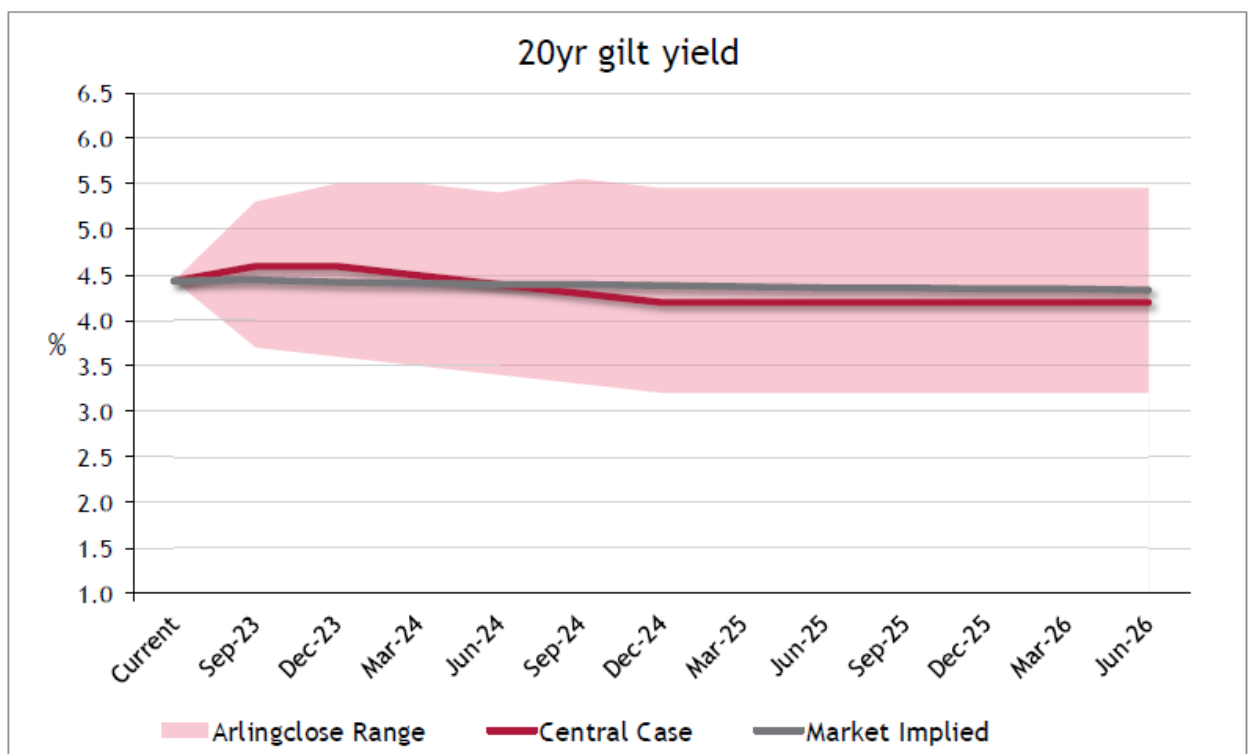
5.2 There are various sources of borrowing that the Council is able to make use of for longer term borrowing, which are detailed in the strategy statement. The traditional method for local authorities, and the default method the Council uses in all of its business cases, is to borrow from the Public Works Loans Board (PWLB). In the medium term, if the Council were to look at fixing out some of its internal borrowing into a long term external loan then it could do so by borrowing through the PWLB.

5.3 The graph below shows historic PWLB interest rates since 1 April 2021, for different durations based on borrowing using the annuity method.



5.4 The graph above shows how PWLB rates fluctuate on a daily basis, as they are linked to UK Gilt rates – current PWLB rates are 1.00 percent above the relevant UK Gilt rate. West Suffolk Council has access to PWLB Certainty Rates which are only 0.80 percent above the relevant UK Gilt rate.

5.5 As you can see from the graph above, PWLB rates have gone through a period of significant volatility over the past year. This is largely as a result of global inflation being at high levels, with the market expectation that these high levels will last longer than originally anticipated. This has led to central banks in the UK, US and EU to raise central interest rates and follow policies of monetary tightening beyond original expectations. The graph below shows forecast for 20-year UK gilt yields (as mentioned in 5.4 above, PWLB borrowing rates are directly linked to UK gilt yields). The red line is the Arlingclose forecast of where these gilt yields will be, with the grey line being what the market think will happen. Arlingclose is expecting these higher rates are expected to remain in the short to medium term, but then drop back down slightly when inflationary pressures have subsided on the expectation of slowed growth with the major economies.



5.6 PWLB interest rates for 40-year borrowing using the annuity method were 4.90 percent (4.70 percent for Certainty Rate) on 31 March 2023 – although at the time of writing this report they were at 5.41 per cent (5.21 per cent for Certainty Rate). Using the current value of internal borrowing of £46,557,503, if we were to transfer all of that internal borrowing to a 40-year PWLB loan using the 4.70 percent Certainty Rate, the Council would incur an initial annual interest payable cost of £2,368,202 (including our current external borrowing). This compares to our interest payable budget for 2022 to 2023 of £1,529,400.

5.7 As detailed in 4.1 and 4.2, the council is currently holding significant cash balances and as such does not need to transfer this level of internal borrowing to external. The Council also has an earmarked revenue reserve to mitigate against possible adverse fluctuations in interest and borrowing

rates, called the Capital Projects Financing Reserve. The balance in this reserve as at 31 March 2023 was £6,548,067.

5.8 The Council, along with Arlingclose, will continue to explore alternative sources of borrowing to ensure the Council will be ready to externally borrow in the most advantageous way when it needs to.

6. Borrowing and Capital Costs - Affordability

6.1 The 2022 to 2023 Budget had assumptions on borrowing costs for capital investments included within it. These borrowing costs are a combination of interest payable on external borrowing, and Minimum Revenue Provision (MRP), which is an amount set aside each year to repay that borrowing requirement. The main projects which made up the majority of the Councils budgeted borrowing requirement are:

- Western Way development
- Mildenhall Hub
- West Suffolk Operational Hub
- Toggam Solar Farm
- Investing in our Growth Fund

6.2 The business cases for each of these projects considered affordability based on what each project would deliver in terms of income and savings against the borrowing requirement for the project.

6.3 Borrowing costs only form part of the Councils revenue budget once the project has been completed, so although there may be a borrowing requirement (Western Way Development as an example), until such time as the project is complete and operational there will be no MRP or interest payable as part of the revenue budget – this is in line with each of the agreed business cases.

6.4 The details of these Budgets is laid out below.

Summary of Capital Borrowing Budget 2022 to 2023			
Project – all supported by business cases	Borrowing Requirement (Budget)	Borrowing Costs	
		Minimum Revenue Provision (MRP)	Interest Payable
Investing in our Growth Fund	£4,319,027	£0	£0
Western Way Development	£5,600,000	£0	£0
Incubation Units, Suffolk Business Park	£12,100,000	£0	£0
Net Zero / Community Energy Plan	£2,590,000	£0	£0

Mildenhall Hub	£16,175,947	£145,600	£204,050
West Suffolk Operational Hub	£9,383,968	£173,000	£306,750
Newmarket Leisure Centre	£2,740,261	£12,800	£169,600
Toggam Solar Farm	£1,756,244	£188,050	£344,950
20 High St Haverhill	£1,784,905	£29,400	£55,900
113 High St Newmarket	£676,709	£11,700	£22,100
Olding Road DHL Depot	£3,549,684	£0	£0
Provincial House	£3,434,468	£55,450	£98,200
Vicon House, Western Way	£3,288,232	£50,800	£100,700
33-35 High St Haverhill	£364,930	£5,450	£10,850
17/18 Cornhill	£2,655,845	£39,550	£84,550
Elsley's Yard	£240,124	£5,300	£11,100
St Edmunds Guest House	£982,579	£11,050	£34,700
Loans and other	£9,425,800	£10,800	£85,950
Total borrowing and associated servicing costs	£81,068,723	£738,950	£1,529,400*
% of Gross Revenue Income Budget		1.3%	2.6%

* This represents an average interest rate of 2.75 per cent.

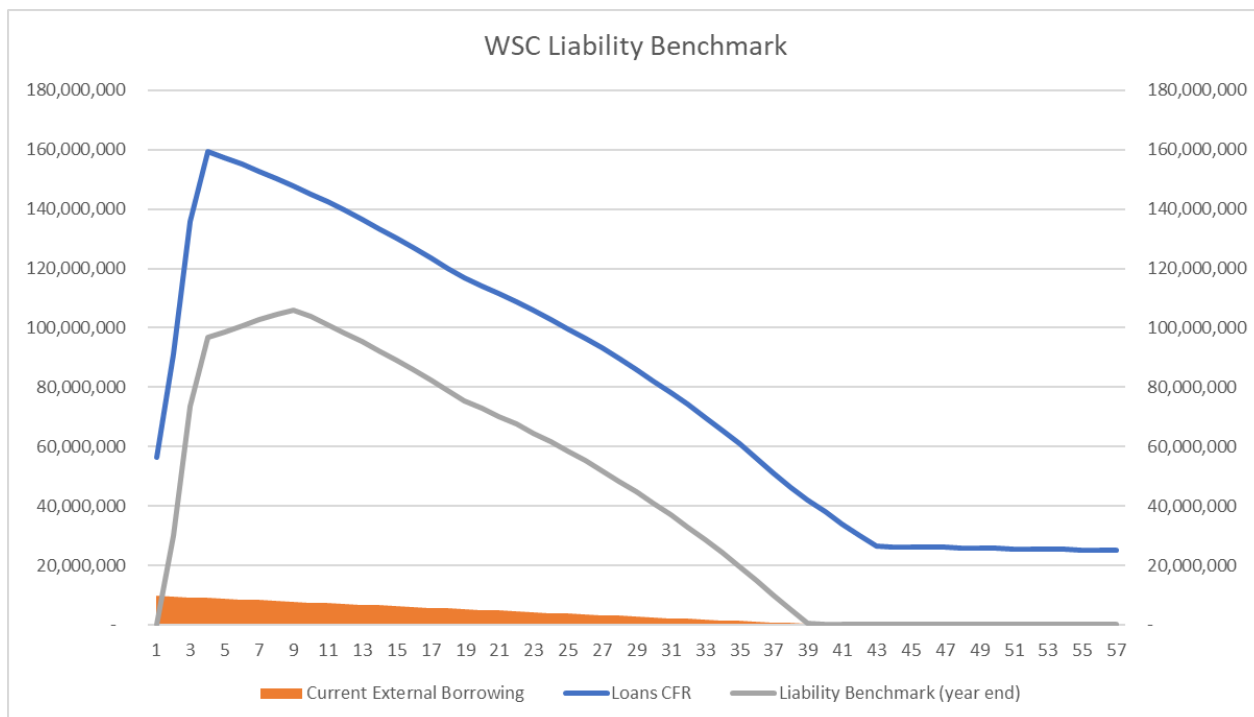
- 6.5 The affordability of borrowing and capital costs is a key metric in our financial planning and resilience assessments. Current and future financial affordability and resilience to such costs is key when evaluating any new opportunities. As set out in the approved West Suffolk Capital Strategy we are using the per cent of the Gross Revenue Income Budget for both MRP and Interest Payable to assess the Councils affordability position. In other words, how much (in per cent terms) of our gross revenue income budget is committed to servicing our external borrowing requirements.
- 6.6 Whilst the budget for interest payable is derived from the business cases of each individual project, when borrowing actually occurs is a treasury management decision and is generally not directly linked to any specific project. The table below therefore gives an overall summary of actual capital borrowing for 2022 to 2023 but does not split it out by project.

Summary of Capital Borrowing for 2022 to 2023			
External Borrowing	Internal Borrowing	Minimum Revenue Provision (MRP)	Interest Payable
£9,750,000	£46,557,503	£840,799	£340,608
Total Borrowing	£56,307,503	£1,181,407	
% of Gross Revenue Income (excl COVID-19 Grants)		1.5%	0.6%

6.7 A total of £1,691,139 was transferred to the capital financing reserve during the year, mainly as a result of the savings in interest payable detailed above. This reserve now has a total balance of £6,548,067 to be utilised in future budget periods to accommodate any fluctuations or market movements in interest rates and external borrowing costs.

7. Liability Benchmark

- 7.1 One of the core tools the Council uses to determine when it might need to borrow additional external funds, and over what period is the Liability Benchmark. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
- 7.2 The graph below shows the Council's liability benchmark (grey line) against the Council's forecast capital financing requirement (blue line). The difference between these two lines is the forecast level of resources the Council is able to utilise as internal borrowing, therefore reducing the level of external borrowing required. The orange block shows the current external borrowing the Council has.
- 7.3 The liability benchmark will change as capital spending plans evolve, and reserve levels change.



8. Borrowing and Income - Proportionality

- 8.1 The concept of proportionality, alongside that of affordability, is a key consideration when considering funding projects through borrowing.
- 8.2 The costs and risks associated with that borrowing should be looked at as part of the whole financial position of the council in our financial planning and resilience assessments. Awareness of the scale and relationship with the asset base and revenue delivery is essential to informed decision making.
- 8.3 As at 31 March 2023, the Council's asset base was valued at £262 million. As such the budgeted borrowing requirement of £81.07 million would have represented 30.94 per cent of our long-term asset base. The actual borrowing requirement at the end of the financial year was £56.3 million, which represents 21.49 per cent of our long-term asset base. It is worth noting that the capital projects being undertaken would increase the overall asset base of the council, leading to the borrowing requirement being a smaller percentage of the asset base than detailed above.

9. Borrowing and Asset Yields

- 9.1 Borrowing, whether internally from available cash balances or externally from other institutions, bears a cost which will affect the yield of investments made with that money. The yield is the return on the investment, whether through additional income of savings, less the borrowing costs associated with the investment, against the value of the investment.

9.2 West Suffolk Council makes investment decisions to support its strategic priorities which are not solely focussed on financial return, in line with our agreed Investing in our Growth Agenda Strategy. There are therefore a range of yield returns delivered by these investments that varies from project-to-project dependant on the wider blended socio-economic returns that these projects give.

9.3 In order to aid comparison between projects and returns from 'normal' treasury management cash investment (section 2 above), the table below shows the income and net return from the current project portfolio.

2022 to 2023 Budget	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£24.2	£0.0	£2.7	£2.2	£2.2	9.1%
Retail Units	£28.2	£0.0	£1.8	£1.5	£1.5	5.3%
Land	£10.3	£0.0	£1.0	£1.0	£1.0	9.7%
Solar Farm	£14.4	£0.0	£1.5	£1.1	£0.5	3.3%
Growth Fund		£16.3	£1.5	£1.5	£0.2	1.0%
Other		£5.7	£0.0	£0.0	£0.0	0.0%
TOTAL	£77.1	£55.7	£8.5	£7.3	£5.4	7.0%

2022 to 2023 Actual	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£28.1	£0.0	£2.8	£2.5	£2.3	8.1%
Retail Units	£20.0	£0.0	£1.9	£1.6	£1.6	8.0%
Land	£11.8	£0.0	£1.2	£1.0	£1.0	8.4%
Solar Farm	£15.0	£0.0	£2.0	£1.6	£1.0	5.3%
Growth Fund		£0.0	£0.0	£0.0	£0.0	0.0%
Other		£9.8	£0.9	£0.8	£0.5	0.0%
TOTAL	£74.9	£9.8	£8.8	£7.5	£6.2	8.3%

* Includes direct operating costs

10. Background documents associated with this report

- 10.1 Capital Strategy 2022 to 2023,
Treasury Management Strategy Statement 2022 to 2023 and Treasury
Management Code of Practice (report number: [FRS/WS/23/002](#))

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Treasury Management Report - June 2023

Report number:	FRS/WS/23/004	
Report to and date(s):	Financial Resilience Sub Committee	17 July 2023
	Performance and Audit Scrutiny Committee	27 July 2023
	Cabinet	19 September 2023
	Council	26 September 2023
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Tel: 01284 706542 Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Gregory Stevenson Service Manager – Finance and Performance Tel: 01284 757264 Email: gregory.stevenson@westsuffolk.gov.uk	

Decisions Plan: This item is included in the Decisions Plan.

Wards impacted: All

Recommendation: It is recommended that, the Financial Resilience Sub Committee:

1. **Notes the Treasury Management Report – June 2023; and**
2. **Makes recommendations as appropriate via the Performance and Audit Scrutiny Committee to Cabinet and Council.**

1. Treasury Management Report – June 2023

- 1.1 The report is part of the Councils' management and governance arrangements for Treasury Management activities under the CIPFA Code of Practice on Treasury Management. It provides a comprehensive assessment of activities from 1 April 2023 to 30 June 2023.
- 1.2 CIPFA has adopted the following as its definition of treasury management activities:
- The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.
- 1.3 The strategy for these activities in 2023 to 2024 was laid out and approved at Performance and Audit Scrutiny Committee in January 2023.

2. Executive Summary

- 2.1 The Council held investments of £49,500,000 as at 30 June 2023. Interest achieved in the first quarter of the financial year amounted to £494,653.64 against a budget for the period of £178,750.
- 2.2 External borrowing as at 30 June 2023 was £9,625,000, a reduction of £125,000 from 1 April 2023 (relates to the repayment plan for the recent PWLB £10 million 40 year loan), with the Council's level of internal borrowing increasing slightly to £47,041,702 as at 30 June 2023. Overall borrowing (both external and internal) is expected to increase over the full financial year.
- 2.3 Borrowing costs (Interest Payable and MRP) for the year are currently forecast to be £927,067 against an approved budget of £2,268,900, although this could change if more external borrowing is undertaken than is currently forecast.

3. Interest Earned from Treasury Investments during the period

- 3.1 The 2023 to 2024 Annual Treasury Management and Investment Strategy Statements (report [COU/WS/23/002](#) approved 21 February 2023) sets out the Council's projections for the current financial year. The annual budget for investment income for 2023 to 2024 is £715,000 which is based on a 3.25 per cent target average rate of return on investments.
- 3.2 At the end of June 2023 interest actually earned during the first quarter of the financial year amounted to £494,653.64 (average rate of return of 3.84 per cent) against a profiled budget for the period of £175,750 (average rate of return 3.25 per cent); a budgetary surplus of £315,930.64. The surplus is due to two main reasons, the council were holding higher levels of cash

balances than anticipated and the rising Bank of England base rate having a knock-on effect on investment returns.

- 3.3 The table below summaries the interest earned and the average rate of return achieved at 30 June 2023.

Interest Earned and Average Rate of Return Summary			
Investment Category	Total Average Investment	Average Rate of Return (%)	Interest Earned in period
Temporary Investments (Term Deposits)	nil		nil
Santander 365 Day Account	8,000,000	4.11%	81,974.79
Santander 95 Day Account	500,000	3.93%	4,899.04
Lloyds Treasury Account	8,177,325	2.76%	53,177.26
Barclays Deposit Account*	2,000,000	1.90%	567.12
CCLA MMF	4,000,000	3.89%	38,755.29
Local Authorities	0	0.00%	0.00
HM Debt Management Office	4,399,230	4.02%	315,280.14
Total Overall Average Return on Investments %			3.84%
Total Interest Earned - 1 April 2022 to 30 June 2022			494,653.64

* An annual interest bonus is paid at the end of the financial year if no withdrawals take place.

- 3.4 The table below summaries the investment activity during the period

Treasury Management – Investment Activity Summary	
	2023 to 2024 (£)
Opening Balance 01 April 2023	43,000,000
Investments made during the year (including transfers to business reserve accounts)	53,000,000
Sub Total	96,000,000
Less Investments realised during the year (including withdrawals from business reserve accounts)	46,500,000
Closing Balance 30 June 2023	49,500,000

Please note: The Councils cash balances are currently greater than forecast as a result of holding advanced business grant and support grant payments.

3.5 The table below lists the investments held as at 30 June 2023

Investments held as at 30 June 2023				
Counterparty	Principal Amount (£)	Interest Rate	Date Loaned	Date Returned
Santander 365 Day	8,000,000	3.86%	01/04/23	365-day Notice
Santander 95 Day	500,000	3.68%	01/04/23	95-day Notice
Lloyds Treasury Account	7,500,000	2.76%	01/04/23	On call availability
Barclays Deposit Account	2,000,000	1.90%	01/04/23	On call availability
CCLA Money Market Fund	4,000,000	Variable	01/04/23	On call availability
HM Debt Man. Office	5,500,000	3.72%	10/01/23	10/07/23
HM Debt Man. Office	6,000,000	4.16%	03/04/23	19/07/23
HM Debt Man. Office	5,000,000	4.38%	10/05/23	17/07/23
HM Debt Man. Office	3,500,000	4.59%	01/06/23	15/08/23
HM Debt Man. Office	4,500,000	4.61%	01/06/23	21/08/23
HM Debt Man. Office	3,000,000	4.755%	21/06/23	24/08/23
There were no other fixed term investments				
Total	49,500,000			

Please note: The interest rates above are the rates as at 30 June 2023. Actual rates going forward could fluctuate. On the advice of Arlingclose notice was placed on the Santander 365 account on 12 June 2023.

3.6 The Council has an earmarked revenue reserve to mitigate against possible adverse fluctuations in the returns received from the council's investments and external borrowing costs, called the Capital Projects Financing Reserve. The balance in this reserve as at 30 June 2023 was £6,548,067.

4. Borrowing activity during the period

4.1 As with the 2022 to 2023 financial year, the Council continues to hold significant cash balances, see 3.4 above. A large amount of the funds currently being held are on behalf of others e.g., £8.8 million relates to Suffolk wide grants from the Department for Business, Energy and Industrial Strategy for which West Suffolk are acting as the lead partner, as well as council tax receipts held on behalf of Suffolk County Council and Suffolk Police and Crime Commissioner.

4.2 On 30 June 2023, West Suffolk had £9.625 million of external borrowing, which is £125,000 less than it held on 1 April 2023, this relates to the repayment plan for the recent PWLB £10 million 40-year loan. With interest rates having increased and cash balances remaining healthy, it is unlikely

that any further external borrowing will need to be undertaken in the 2023 to 2024 financial year, although this is kept under constant review and may change if circumstances and advice changes.

4.3 The table below is a summary of the external borrowings and temporary loans as at 30 June 2023.

External Borrowings and Temporary Loans					
Lender	Balance – 1 April 2023 (£)	Movement (£)	Balance - 30 June 2023 (£)	Interest Rate	Maturity date
PWLB	9,750,000	(125,000)	9,625,000	1.84%	1 December 2061

4.4 Although the council has not undertaken any further external borrowing in the period, its underlying need to borrow (Capital Financing Requirement – CFR, the amount the Council has invested in its communities) is forecast to increase which will lead to an increase in the level of borrowing (either external or internal) the council will have.

4.5 The table below details the forecast for the councils Capital Financing Requirement (underlying need to borrow) over the next 3 years.

	31 March 2023	31 March 2024	31 March 2024	31 March 2025	31 March 2026
	Actual £ millions	Approved Budget £ millions	Forecast £ millions	Forecast £ millions	Forecast £ millions
Capital Financing Requirement (CFR)	56.31	93.42	75.84	142.50	168.45

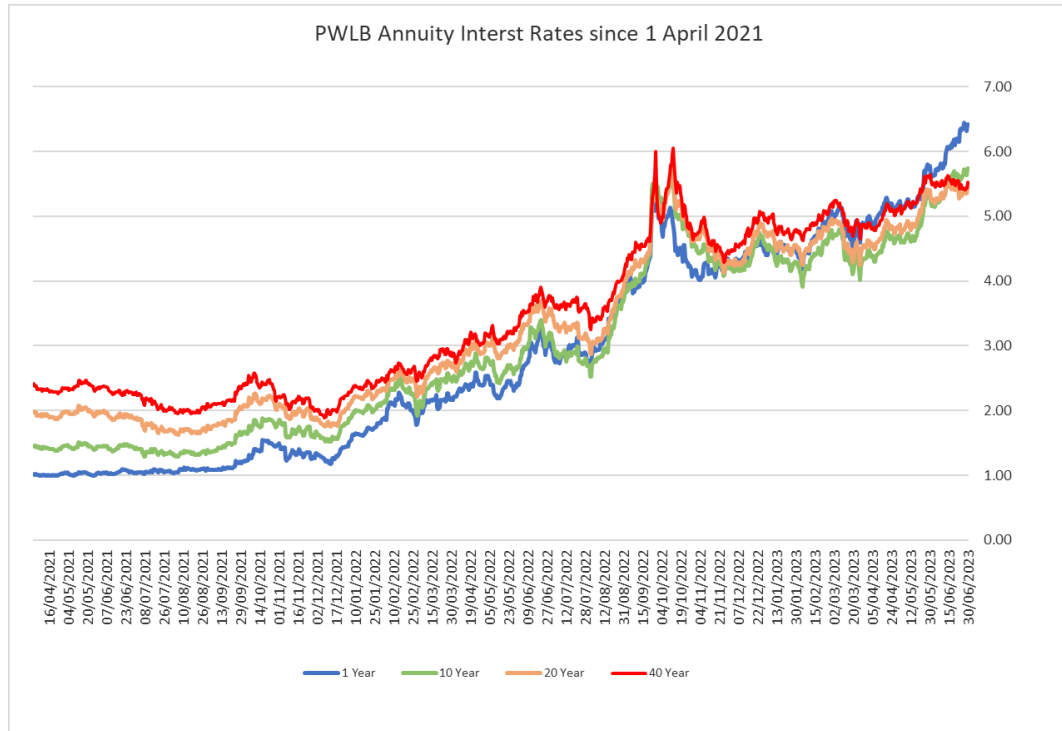
5. Borrowing Strategy and Sources of Borrowing

5.1 As detailed in the 2023 to 2024 Treasury Management Strategy Statement, the current borrowing strategy is still to make short-term use of internal funds (internal borrowing). This is being continually monitored by the Council, along with Arlingclose (treasury advisors), to determine whether this is still the most optimal strategy or whether to look at borrowing additional sums at long-term fixed rates.

5.2 There are various sources of borrowing that the Council is able to make use of for longer term borrowing, which are detailed in the strategy statement. The traditional method for local authorities, and the default method the

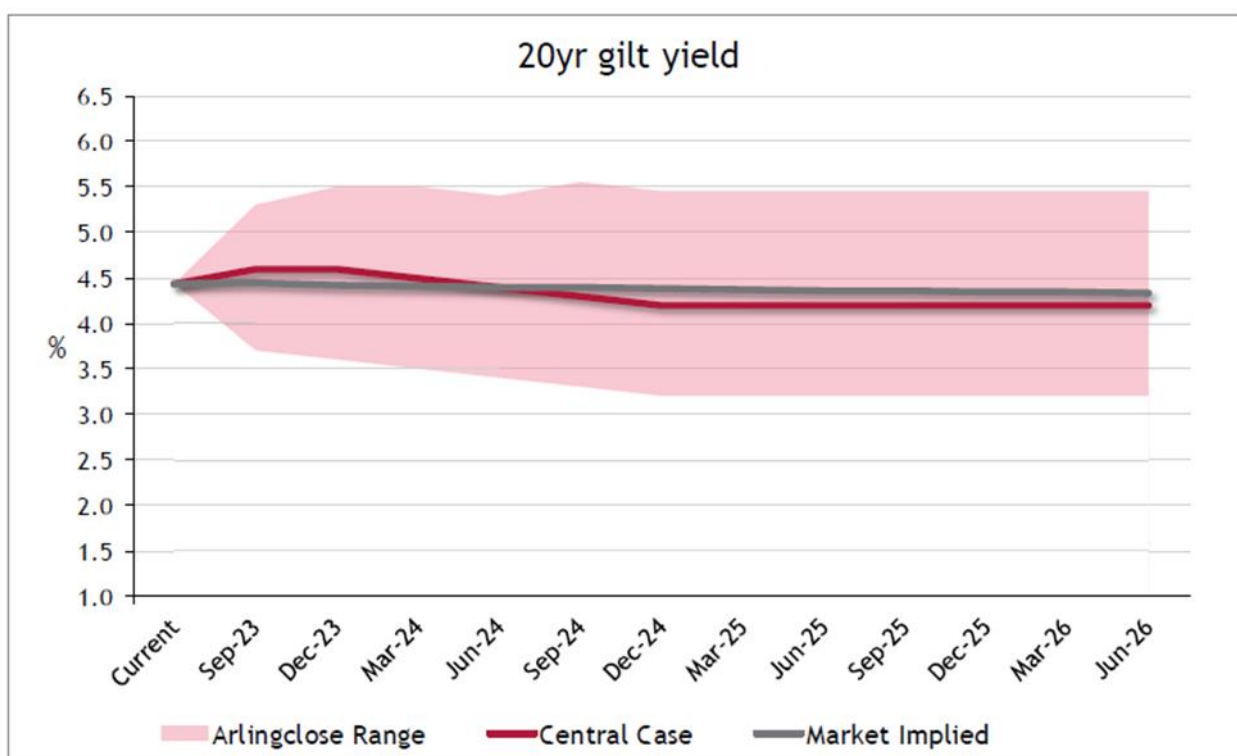
Council uses in all of its business cases, is to borrow from the Public Works Loans Board (PWLB). In the medium term, if the Council were to look at fixing out some of its internal borrowing into a long term external loan then it could do so by borrowing through the PWLB.

5.3 The graph below shows historic PWLB interest rates over the previous 2 years, for different durations based on borrowing using the annuity method.



5.4 The graph above shows how PWLB rates fluctuate on a daily basis, as they are linked to UK Gilt rates – current PWLB rates are 1.00 per cent above the relevant UK Gilt rate. West Suffolk Council has access to PWLB Certainty Rates which are only 0.80 per cent above the relevant UK Gilt rate.

5.5 As you can see from the graph above, PWLB rates have gone through a period of significant volatility over the past year. This is largely as a result of global inflation being at high levels, with the market expectation that these high levels will last longer than originally anticipated. This has led to central banks in the UK, US and EU to raise central interest rates and follow policies of monetary tightening beyond original expectations. The graph below shows forecast for 20-year UK gilt yields (as mentioned in 5.4 above, PWLB borrowing rates are directly linked to UK gilt yields). The red line is the Arlingclose forecast of where these gilt yields will be, with the grey line being what the market think will happen. Arlingclose is expecting these higher rates are expected to remain in the short to medium term, but then drop back down slightly when inflationary pressures have subsided on the expectation of slowed growth with the major economies (**Appendix 1**).



5.6 PWLB interest rates for 40-year borrowing using the annuity method were 5.51 per cent (5.31 per cent for Certainty Rate) on 30 June 2023. Using the current value of internal borrowing of £47,041,702, if we were to transfer all of that internal borrowing to a 40-year PWLB loan using the 5.31 per cent Certainty Rate, the Council would incur an initial annual interest payable cost of £2,676,819 (including our current external borrowing). This compares to our interest payable budget for 2023 to 2024 of £1,509,100. As detailed in 4.1 and 4.2, the council is currently holding significant cash balances and as such does not need to transfer this level of internal borrowing to external. The Council also has an earmarked revenue reserve to mitigate against possible adverse fluctuations in interest and borrowing rates, called the Capital Projects Financing Reserve. The balance in this reserve as at 30 June 2023 was £6,548,067.

5.7 The Council, along with Arlingclose, will continue to explore alternative sources of borrowing to ensure the Council will be ready to externally borrow in the most advantageous way when it needs to.

6. Borrowing and Capital Costs - Affordability

6.1 The 2023 to 2024 Budget had assumptions on borrowing costs for capital projects included within it. These borrowing costs are a combination of interest payable on external borrowing, and Minimum Revenue Provision (MRP), which is an amount set aside each year to repay that borrowing requirement. The main projects which make up the majority of the Councils borrowing requirement are:

- Western Way development
- Mildenhall Hub

- West Suffolk Operational Hub
- Toggam Solar Farm
- Incubation Units on Suffolk Business Park
- Net Zero / Community Energy Plan
- Investing in our Growth Fund

6.2 The business cases for each of these projects considered affordability based on what each project would deliver in terms of income and savings against the borrowing requirement for the project.

6.3 Borrowing costs only form part of the Councils revenue budget once the project has been completed, so although there may be a borrowing requirement, until such time as the project is complete there will be no MRP or interest payable as part of the revenue budget.

6.4 The details of these Budgets is laid out below.

Summary of Capital Borrowing Budget 2023 to 2024			
Project – all supported by business cases	Borrowing Requirement (Budget)	Borrowing Costs	
		Minimum Revenue Provision (MRP)	Interest Payable
Investing in our Growth Fund	£12,108,692	£0	£0
Western Way Development	£16,000,000	£0	£0
Incubation Units, Suffolk Business Park	£8,546,263	£0	£0
Net Zero / Community Energy Plan	£5,617,595	£0	£0
Mildenhall Hub	£17,557,777	£149,900	£200,400
West Suffolk Operational Hub	£9,341,980	£177,800	£301,950
Newmarket Leisure Centre	£2,726,911	£13,350	£169,600
Toggam Solar Farm	£1,669,494	£193,550	£338,800
20 High St Haverhill	£1,754,605	£30,300	£55,000
113 High St Newmarket	£664,709	£12,000	£21,800
Olding Road DHL Depot	£3,549,684	£0	£0
Provincial House	£3,377,518	£56,950	£96,700

Vicon House, Western Way	£3,235,932	£52,300	£99,200
33-35 High St, Haverhill	£359,330	£5,600	£10,700
17/18 Cornhill	£2,767,735	£40,700	£83,400
Elsey's Yard	£234,624	£5,500	£10,900
St Edmunds Guest House	£971,929	£10,650	£35,100
Brandon Leisure Centre	£238,227	£11,200	£10,550
Loans and other	£2,697,000	£0	£75,000
Total borrowing and associated servicing costs	£93,420,005	£759,800	£1,509,100*
% of Gross Revenue Income Budget		1.2%	2.4%

* This represents an average interest rate of 2.75 per cent.

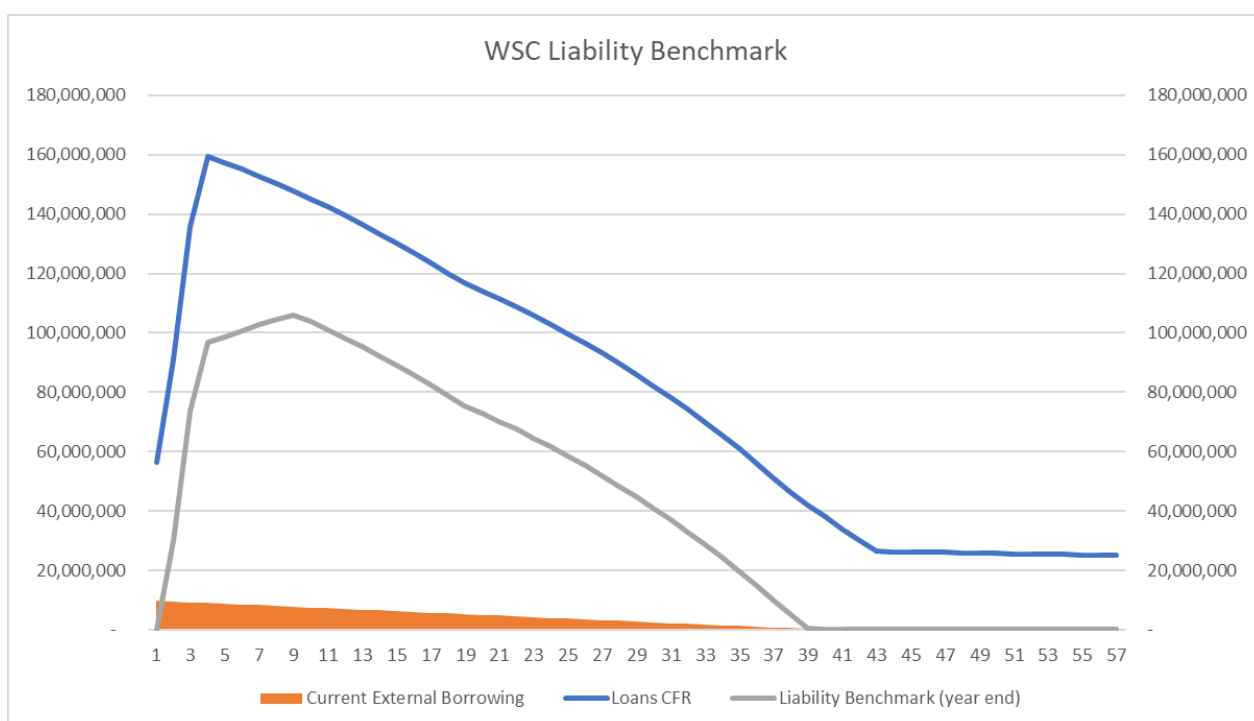
6.5 The affordability of borrowing and capital costs is a key metric in our financial planning and resilience assessments. Current and future financial affordability and resilience to such costs is key when evaluating any new opportunities. As set out in the approved West Suffolk Capital Strategy we are using the per cent of the Gross Revenue Income Budget for both MRP and Interest Payable to assess the Councils affordability position. In other words, how much (in percentage terms) of our gross revenue income budget is committed to servicing our external debt.

6.6 Whilst the budget for interest payable are derived from the business cases of each individual project, when borrowing actually occurs is a treasury management decision and is generally not directly linked to any specific project. It is therefore not easy to match the interest payable the Council will actually incur to specific projects. The table below therefore gives an overall summary of forecast capital borrowing for 2023 to 2024 but does not split it out by project.

Summary of Forecast Capital Borrowing for 2023 to 2024			
External Borrowing	Internal Borrowing	Minimum Revenue Provision (MRP)	Interest Payable
£9,500,000	£65,240,662	£748,162	£178,905
Total Borrowing	£75,841,088	£927,067	
% of Gross Revenue Income		1.2%	0.3%

7. Liability Benchmark

- 7.1 One of the core tools the Council uses to determine when it might need to borrow additional external funds, and over what period is the Liability Benchmark. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
- 7.2 The graph below shows the Council’s liability benchmark (grey line) against the Council’s forecast capital financing requirement (blue line). The difference between these two lines is the forecast level of resources the Council is able to utilise as internal borrowing, therefore reducing the level of external borrowing required. The orange block shows the current external borrowing the Council has.



- 7.3 The liability benchmark will change as capital spending plans evolve, and reserve levels change.

8. Borrowing and Income - Proportionality

- 8.1 The concept of proportionality, alongside that of affordability, is a key consideration when considering funding projects through borrowing.
- 8.2 The costs and risks associated with that borrowing should be looked at as part of the whole financial position of the council in our financial planning and resilience assessments. Awareness of the scale and relationship with the asset base and revenue delivery is essential to informed decision making.

8.3 As at 31 March 2023, the Councils asset base was valued at £261.9 million. As such the budgeted borrowing requirement of £93.42 million would have represented 35.67 per cent of our long-term asset base. The forecast borrowing requirement at the end of the financial year is £75.84 million, which represents 28.96 per cent of our long-term asset base. It is worth noting that the capital projects being undertaken would increase the overall asset base of the council, leading to the borrowing requirement being a smaller percentage of the asset base than detailed above.

9. Borrowing and Asset Yields

9.1 Borrowing, whether internally from available cash balances or externally from other institutions, bears a cost which will affect the yield of investments made with that money. The yield is the return on the investment, whether through additional income of savings, less the borrowing costs associated with the investment, against the value of the investment.

9.2 West Suffolk Council makes investment decisions to support its strategic priorities which are not solely focussed on financial return, in line with our agreed Investing in our Growth Agenda Strategy. There are therefore a range of yield returns delivered by these investments that varies from project-to-project dependant on the wider blended socio-economic returns that these projects give.

9.3 In order to aid comparison between projects and returns from 'normal' treasury management cash investment (section 2 above), the table below shows the income and net return from the current project portfolio.

2023/24 BUDGET	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£22.6	£15.3	£2.6	£2.1	£1.9	8.4%
Retail Units	£20.0	£2.8	£1.9	£1.6	£1.4	7.0%
Land	£11.8	£0.0	£1.0	£1.0	£1.0	8.4%
Solar Farm	£13.9	£1.7	£3.2	£2.0	£1.5	10.8%
Growth Fund		£12.1	£0.0	£0.0	£0.0	0.0%
Other		£61.5	£0.8	£0.5	£0.1	0.0%
TOTAL	£68.3	£93.4	£9.5	£7.2	£5.9	8.6%

2023/24	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£22.6	£0.0	£2.6	£2.1	£1.9	8.4%
Retail Units	£20.0	£0.0	£1.9	£1.6	£1.4	7.0%
Land	£11.8	£0.0	£1.0	£1.0	£1.0	8.4%
Solar Farm	£13.9	£0.0	£3.2	£2.0	£1.5	10.8%
Growth Fund		£0.0	£0.0	£0.0	£0.0	0.0%
Other		£9.5	£0.8	£0.4	£0.1	0.0%
TOTAL	£68.3	£9.5	£9.5	£7.1	£5.9	8.6%

* Includes direct operating costs

10. Market Information

10.1 The Council's treasury management advisors provide economic and interest rate forecasts on a monthly basis. Appendix 1 has details from this forecast from June 2023.

11. Background documents associated with this report

11.1 Capital Strategy 2023 to 2024
Treasury Management Strategy Statement 2023 to 2024 and Treasury Management Code of Practice (report number: [FRS/WS/23/002](https://www.frs.gov.uk/FRS/WS/23/002))

12. Appendices

12.1 Appendix 1 - Arlingclose Economic and Interest Rate Forecast – June 2023

Arlingclose Economic and Interest Rate Forecast – June 2023

UK inflation and wage growth has proven to be even more stubborn, with headline rates remaining steady, core rates rising, and wage growth accelerating. As a result, the Bank of England sought to shock markets and underline its inflation fighting credentials by increasing Bank Rate by 50 basis points to 5.0 per cent. However, this is unlikely to be the peak.

The UK economy has been resilient in the face of the dual headwinds of inflation and interest rates, albeit the majority rise in Bank Rate is yet to impact households. Government cost of living support, stronger wage growth and household savings have had an offsetting effect, while timing issues around mortgage resets have delayed the impact of monetary tightening.

Employment demand has remained strong and, alongside inflation expectations, has driven stronger wage growth. This in turn is adding upward pressure to inflation, particularly services inflation. Core Consumer Price Index and services inflation have increased of late despite previous monetary tightening.

The Bank's credibility issues mean that it can no longer afford to wait until the effect of past increases in Bank Rate affect activity. This suggests that further monetary tightening is necessary to have the desired immediate effect on inflation.

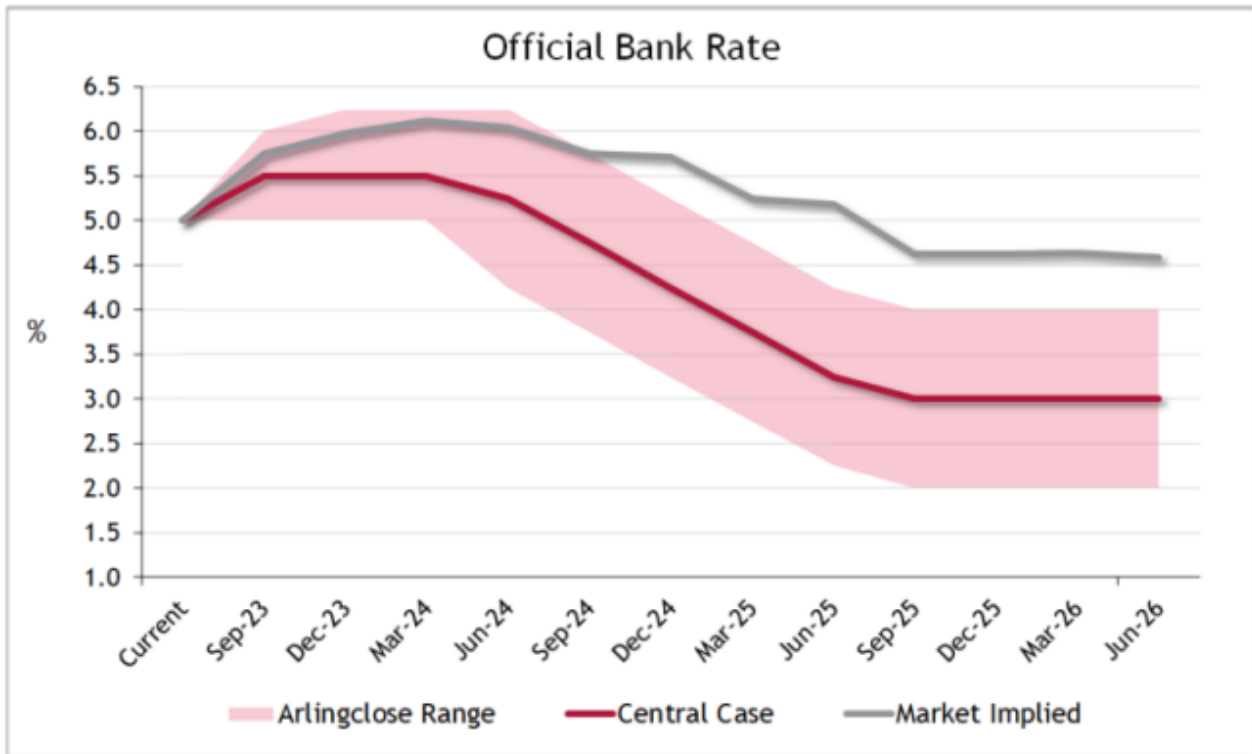
However, the lagged effect of aggressive monetary tightening will increasingly pressure economic activity. A recession appears inevitable. Household spending will be affected by increases in mortgage payments, while business investment/spending will fall back due to higher borrowing costs. Unemployment will increase.

Inflation will fall sharply this year, albeit at a slower pace than expected. Recessionary conditions eventually create downside risks for inflation and will entail monetary easing in the medium term to stimulate economic activity.

Global bond yields remain volatile, although UK gilt yields have been more affected by its seemingly idiosyncratic inflation issues. The Federal Reserve and other central banks see persistently higher policy rates through 2023 as key to dampening domestic inflationary pressure.

Downside risks for bond yields arising from a global economic slowdown are increasing.

The graph below shows the Arlingclose central case along with market implied and downside risks for Official Bank of England Base Rate.





Annual Appointments to the Financial Resilience and the Health and Safety Sub-Committee’s (2023 to 2024)

Report number:	PAS/WS/23/015	
Report to and date(s):	Performance and Audit Scrutiny Committee	27 July 2023
Cabinet Member(s):	<p>Councillor Diane Hind Cabinet Member for Resources Tel: 01284 706542 Email: diane.hind@westsuffolk.gov.uk</p> <p>Councillor Gerald Kelly Cabinet Member for Governance and Regulatory Tel: 07968 396389 Email: Gerald.kelly@westsuffolk.gov.uk</p>	
Lead officers:	<p>Teresa Halliday Monitoring Officer Telephone: 01284 757144 Email: teresa.halliday@westsuffolk.gov.uk</p>	

Decisions Plan: This item is not included in the decisions plan.

Wards impacted: Not applicable.

Recommendations: It is recommended that the Performance and Audit Scrutiny Committee:

- 1. Recommends one Substitute Member from the membership of the Performance and Audit Scrutiny Committee to sit on the Financial**

**Resilience Sub-Committee for 2023 to 2024:
and**

- 2. Recommends six members and two Substitute Members from the Performance and Audit Scrutiny Committee to sit on the Health and Safety Sub-Committee for 2023 to 2024.**

1. Context to this report

- 1.1 At the Annual Council meeting held on 23 May 2023, West Suffolk Council approved the allocation of 12 seats to the Performance and Audit Scrutiny Committee.
- 1.2 The Constitution sets out that the appointment of members to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee be undertaken at the first meeting of the Performance and Audit Scrutiny Committee following Annual Council or following a review of the allocation of seats on committees during the year.
- 1.3 The Constitution further expects that in making such appointments, the Performance and Audit Scrutiny Committee seeks to do so in a manner that reflects the political balance as far as practically possible.
- 1.4 In practice, as there are only a total of 9 appointments to the two sub committees (plus substitutes) it would be very difficult to be compliant with the full political balance calculations. As such, the proposals below have been developed to try to achieve an equitable and fair allocation to the groups across both sub-committees.
- 1.5 Due to the small number of substitutes, some groups will not have a nominated substitute. However, if they cannot make a meeting and the group does not have a nominated substitute, a temporary substitute can be nominated by their group leader to the Monitoring Officer.

2. Proposals within this report

2.1 Appointments to the Financial Resilience Sub-Committee

- 2.1.1 The Financial Resilience Sub-Committee will comprise three members and one substitute member of the Performance and Audit Scrutiny Committee, which, as above, desirably reflects the political balance of the Council, as far as practically possible.
- 2.1.2 A proposed seat allocation is set out below:

Group	Seat Allocation
Conservative Group	1
Independents	1
Progressive Alliance Grouping	1
Total	3
Substitute	1

2.1.3 The Committee at its meeting held on 22 June 2023 appointed the following members to the Financial Resilience Sub-Committee:

Group	Seat Allocation
Conservative Group - Councillor Ian Houlder	1
Independents - Councillor Frank Stennett	1
Progressive Alliance Grouping - Councillor Sue Perry	1
Total	3
Substitute	1

2.1.4 However, the Committee decided to defer making a decision on the substitute place on the Financial Resilience Sub-Committee. The seat has not been allocated to a particular group. Performance and Audit Scrutiny Committee may appoint a member to the group. If it is not practical to do so then, in the event that a member of the Sub-Committee cannot attend, a temporary substitute may be nominated by the group leader to the Monitoring Officer.

2.2 **Appointments to the Health and Safety Sub-Committee**

2.2.1 The Health and Safety Sub-Committee meets three times a year (June / October / February) and will comprise six councillors and six members of staff. The six councillors and two substitutes shall be the “employers” side and drawn from the membership of the Performance and Audit Scrutiny Committee, which, as above, desirably reflects the political balance of the Council, as far as practically possible.

Six members of staff and two substitutes (to be the employee’s side) shall be drawn from the Officer Health and Safety Group.

2.2.2 A proposed seat allocation is set out below:

Group	Seat Allocation
Conservative Group	2
Independents	2
Progressive Alliance Grouping	2
Total	6
Substitute (Conservative Group)	1
Substitute (Independents)	1

2.2.3 Following the meeting on 22 June 2023, nominations were sort to sit on the Sub-Committee. Nominations received are set out below:

Group	Seat Allocation
Conservative Group: - Councillor Ian Houlder - Councillor Mike Chester	2
Independents: - Councillor Andy Neal - Councillor Phil Wittam	2
Progressive Alliance Grouping: - Councillor Peter Armitage - Councillor Janne Jarvis	2
Total	6
Substitute (Conservative Group) -	1
Substitute (Independents) -	1

2.2.4 The Progressive Alliance Grouping has not been allocated a substitute place on the Health and Safety Sub-Committee as they have the lowest number of members on the Performance and Audit Scrutiny Committee. However, in the event that a Progressive Alliance Grouping member of the Sub-Committee cannot attend a meeting of the Sub-Committee, a temporary substitute may be nominated by the group leader to the Monitoring Officer.

3. Alternative options that have been considered

3.1 None, as the matter under consideration is required by the Constitution.

4. Consultation and engagement undertaken

4.1 None.

5. Risks associated with the proposals

5.1 None.

6. Background documents associated with this report

6.1 None

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Performance and Audit Work Programme 2023 to 2024

Report number:	PAS/WS/23/016	
Report to and date(s):	Performance and Audit Scrutiny Committee	27 July 2023
Cabinet Member:	Councillor Diane Hind Cabinet Member for Resources Tel: 01284 706542 Email: diane.hind@westsuffolk.gov.uk	
Chair of the Committee:	Councillor Peter Armitage Chair of Performance and Audit Scrutiny Email: peter.armitage@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director (Resources and Property) Telephone: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is not included in the decisions plan.

Wards impacted: Not applicable.

Recommendation: It is recommended that the Performance and Audit Scrutiny Committee:

- 1. Notes the current status of its Work Programme for 2023 to 2024, attached at Appendix 1 to this report.**

1. Context to this report

1.1 Performance and Audit Scrutiny Work Programme

1.1.1 The committee's work programme for 2023 to 2024 is attached at **Appendix 1** to this report.

2. Proposals within this report

2.1 The committee is asked to note the current status of its work programme, for 2023 to 2024.

3. Alternative options that have been considered

3.1 None.

4. Consultation and engagement undertaken

4.1 None.

5. Risks associated with the proposals

5.1 None.

6. Appendices referenced in this report

6.1 Appendix 1 – Performance and Audit Work Programme 2023 to 2024

7. Background documents associated with this report

7.1 None

(West Suffolk Council)**Performance and Audit Scrutiny Committee
Work Programme (2023 to 2024)**

Description	Lead Officer
28 September 2023 (Time: 5.00pm)	
Venue: Council Chamber, West Suffolk House, Bury St Edmunds	
Ernst and Young – Auditors Annual Report 2021 to 2022	Director (Resources and Property)
Ernst and Young – External Audit Plan and Fees 2022 to 2023	Director (Resources and Property)
Local Government and Social Care Ombudsman Annual Report	Monitoring Officer
Annual RIPA Report	Monitoring Officer
Approach to Delivering a Sustainable Budget 2024 to 2025	Director (Resources and Property)
Work Programme Update – 2023 to 2024	Director (Resources and Property)
23 November 2023 (Time: 5.00pm)	
Venue: Council Chamber, West Suffolk House, Bury St Edmunds	
Ernst and Young – Auditors Annual Report 2022 to 2023	Director (Resources and Property)
Internal Audit Mid-Year Progress Report 2023 to 2024	Service Manager (Internal Audit)
2023 to 2024 Performance Report (Quarter 2)	Service Manager (Policy, Projects and Performance)
Delivering a Sustainable Budget 2024 to 2025	Director (Resources and Property)
Treasury Management Report (September 2023)	Service Manager (Finance and Procurement)
Work Programme Update 2024	Director (Resources and Property)
25 January 2024 (Time: 5.00pm)	
Venue: Council Chamber, West Suffolk House, Bury St Edmunds	
Ernst and Young – External Audit Plan and Fees 2023 to 2024	Director (Resources and Property)
2023 to 2024 Performance Report (Quarter 3)	Service Manager (Policy, Projects and Performance)
Treasury Management Report – December 2023	Service Manager (Finance and Procurement)
Annual Financial Resilience Management Statement and Investment Strategy Statements (2024 to 2025)	Service Manager (Finance and Procurement)
Delivering a Sustainable Budget 2024 to 2025	Director (Resources and Property)
Work Programme Update 2024	Director (Resources and Property)

Description	Lead Officer
30 May 2024 (Time: 5.00pm) Venue: Council Chamber, West Suffolk House, Bury St Edmunds	
Internal Audit Annual Report (2023 to 2024)	Service Manager (Internal Audit)
Outline Internal Audit Plan (2024 to 2025)	Service Manager (Internal Audit)
2023 to 2024 Performance Report (Quarter 4)	Service Manager (Policy, Projects and Performance)
Annual Report from the Health and Safety Sub-Committee	Service Manager (Health and Safety)
Annual Re-Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee	Business Partner (Governance)
Work Programme Update – 2024 to 2025	Director (Resources and Property)

Awaiting confirmation from EY of the Audit Planning for 2022-2023

Ernst and Young – 2022 to 2023 Annual Results Report to those charged with Governance	Director (Resources and Property)
West Suffolk Annual Governance Statement 2022 to 2023	Director (Resources and Property)
2022 to 2023 Statement of Accounts	Director (Resources and Property)

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

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