

Performance and Audit Scrutiny Committee



Title	Agenda											
Date	Thursday 28 September 2023											
Time	5.00 pm											
Venue	Conference Chamber West Suffolk House Western Way Bury St Edmunds, Suffolk, IP33 3YU											
Full Members	<div>Chair Peter Armitage</div> <div>Vice Chair Andy Neal</div> <table><tr><td>Conservative Group (5)</td><td>John Augustine Mike Chester Nick Clarke</td><td>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 Mike Chester Nick Clarke	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><tr><td>Conservative Group (2)</td><td>John Griffiths</td><td>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											

Venue	Conference Chamber West Suffolk House, Western Way, Bury St Edmunds, Suffolk, IP33 3YU
Contact information	Telephone: 01638 719729 Email: democratic.services@westsuffolk.gov.uk Website: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting	The agenda and reports will be available to view at least five clear days before the meeting on our website.
Attendance at meetings	<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>
Public participation	<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>There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.</p>
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

1 - 10

To confirm the minutes of the meeting held on 27 July 2023 (copy attached.)

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.

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.

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

6. Ernst and Young - Auditors Annual Report 2021 to 2022

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Report number: **PAS/WS/23/017**

7. Annual Governance Statement 2022 to 2023

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Report number: **PAS/WS/23/018**

8.	Draft Statement of Accounts 2022 to 2023	43 - 202
	Report number: PAS/WS/23/019	
9.	Complaints and Local Government and Social Care Ombudsman: Annual Report 2002-2023	203 - 220
	Report number: PAS/WS/23/020	
10.	Regulation of Investigatory Powers Act 2000 - Annual Report and Review of the RIPA Guidance	221 - 270
	Report number: PAS/WS/23/021	
11.	Work programme update	271 - 274
	Report number: PAS/WS/23/022	

Part 2 – exempt

None

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Performance and Audit Scrutiny Committee



Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 27 July 2023** at **5.00 pm** in the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present

Councillors

Chair Peter Armitage

Vice Chair Andy Neal

Richard Alecock

Mike Chester

Nick Clarke

Ian Houlder

Janne Jarvis

Karen Richardson

Frank Stennett

Phil Wittam

Substitutes attending for a full member

Pat Hanlon

In attendance

Diane Hind, Cabinet Member for Resources

Victor Lukaniuk

Birgitte Mager

191. **Substitutes**

The following substitution was declared:

Councillor Pat Hanlon substituting for Councillor Sue Perry.

192. **Apologies for absence**

Apologies for absence were received from Councillors John Augustine and Sue Perry.

193. **Minutes**

The minutes of the meeting held on 22 June 2023 were confirmed as a correct record and signed by the Chair.

194. **Declarations of interest**

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

195. Public participation

There were no members of the public in attendance on this occasion.

196. Ernst and Young - 2021 to 2022 Audit Results Report to those Charged with Governance

The Cabinet Member for Resources introduced David Riglar from EY, the Council's external auditors who were in attendance to present their final report (report number: PAS/WS/23/013), following the conclusion of the audit work on the 2021 to 2022 accounts.

The Cabinet Member reported the Council had received an unqualified opinion that the final accounts gave a true and fair view of the financial position of West Suffolk Council and an unqualified opinion on their value for money assessment. The accounts would therefore be signed following the meeting and the Council looked forward to hearing from EY when the 2022 to 2023 audit would commence.

David Riglar from EY then drew the Committee's attention to Appendix A and highlighted the following areas:

- Page 5 – Scope update: There were no issues to report.
- Page 5 - Status of the audit: Final signing of the accounts.
- Page 6 – Areas of audit focus having a higher risk:
 - Valuation of Mildenhall Hub (3G pitch valuation had been excluded).
 - Valuation of solar farm: Increase in value by an adjustment of £4.99m.
- Page 7 – Pensions liability valuation: Statement amended to reflect an increase in pension liability of £4.28m.
- Page 8- Value for Money: No significant risk and no exception to report.
- Page 9 – Audit differences: classification adjustment on balance sheet.
- Page 10 – Control observations: Did not identify any significant deficiencies in internal control.

The Committee considered the report in detail and asked questions to which responses were provided. In particular discussions were held on the solar farm and how it was valued and whether the valuation took into account the life of the solar panels.

In response to a question raised relating to the Mildenhall Hub asset having a number of third-party leases unsigned (Appendix A, page 10), officers explained that there were a number of partners involved in the Hub. Funding partners had an agreement to enter into a lease, as they funded the build of the Mildenhall Hub. Other partners had appropriate licences called "tenancy at will", which were being updated with a complete lease. At the beginning the focus was on making the building work. A number of leases had now been completed and the remainder would be completed shortly. The Council was using lessons learnt in future other developments by having draft forms of leases upfront.

In response to a questions raised on how the Mildenhall Hub (the Hub) was listed in the asset register, members were informed the Hub was componentised including between land and buildings.

There being no decision required, the Committee, **noted** that:

- 1) The work in respect of the audit opinion on the financial statements for West Suffolk Council for 2021 to 2022 had been completed.
- 2) The auditor had no matters to report on the Council's arrangements to secure economy, efficiency and effectiveness in the Council's use of resources.
- 3) The Chief Finance Officer, in consultation with the Chair of the Performance and Audit Scrutiny Committee had delegation to conclude the signing of the 2021 to 2022 accounts.

197. 2023 to 2024 Performance Report (Quarter 1)

The Cabinet Member for Resources presented report number PAS/WS/23/014, which included a forecast for the year-end 2023 to 2024 position and performance dashboard covering the period April to June 2023.

The report included an update under the Key Performance Indicators (KPIs) on fuel used, which was raised at the Committee's June 2023 meeting.

She then highlighted a number of KPIs, which members might wish to be aware of over the coming months, being:

- A new monitoring system was in place to provide more precise estimates on the Council's usage of gas and electricity.
- Universal Credit Claimants: The first quarter of the year had seen the highest number of claimants in West Suffolk over the four-year monitoring period. This was a contextual indicator provided by the DWP. However, it was important for the Council both in terms of anticipating increased demand for services such as homelessness and in terms of informing the design of programmes such as economic development and families and communities.
- Homelessness: The bottom right graph showed how the rates of homelessness acceptances in West Suffolk compared with Suffolk and England. There was a lag time associated with the figures as they were produced by central government and where therefore not as timely as the Council's data but showed how things stood at the end of December 2022. This comparison was important in terms of planning the Council's homelessness and housing options services and how it needed to continue to focus on preventing homelessness.

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 1 performance and the financial forecast for the year-end 2023 to 2024 position 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 asked questions to which responses were provided.

In response to a question raised on page 80 of the report, on why fuel usage had increased, it was agreed that a written response would be provided.

In response to a question raised on page 84 of the report, on why there was no footfall data for Haverhill, Mildenhall, Brandon or Clare, the Cabinet Member explained that the footfall data were provided by the Bury St Edmunds and the Newmarket BIDs. However, the Cabinet Member agreed to look into the cost of monitoring footfall in the other towns and how to provide better comparisons on footfall data.

In response to a question raised on page 97 of the report, on why the percentage of affordable housing units delivered on sites of 10 or more units was showing as a flat line, it was explained that this was because the Council was consistently delivering on its 30 per cent target. Members suggested it would be better to show how many affordable houses had been built during the year. Officers agreed to include numbers of affordable house built in the commentary box for future quarterly reporting.

In response to a question raised on page 102 of the report, on employee numbers, officers agreed to change the scale on the head count and would include the net change in the commentary box for future quarterly reporting.

The Cabinet Member for Resources then presented the financial element of the report and explained this was the first report for this financial year which showed the initial trends and variances against the budget which was agreed by Council in February 2023. Actual financial results up to 31 June 2023 had been used to forecast the full year delivery and rationale for any variances against the budget.

At this stage in the year the forecast was for a deficit of £372,000 which was just over 1% of the Council's total income. Whilst this was a shortfall, management were looking at options to bring this back to a balanced position by the year end.

In comparison to previous years the major income lines were all forecast to be on or near budget. The variances that the Council was seeking were

related to particular issues rather than larger nationwide trends. The variances included:

- The loss of income relating to some vacant retail units.
- Utility cost rises within the operational estate.
- The slowdown in local property market impacting on land charge; building control and section 106 income.
- There was a favourable variance coming from lower fuel costs currently available.

The Council was forecasting to spend £30.2m of its capital budget of £56.7m for the financial year. This was predominantly due to the timing of opportunities for "investing for growth" fund and the lower than anticipated use of the Barley Homes loan facility.

Earmarked reserves were forecast to be £45.8m against a closing budget position of £43.2m. This increase was driven by the expectation that additional external borrowing would not be required in the year and the budgeted interest payable budget would not be required in full. There was also significant significantly higher interest receivable (£0.9m) which had been moved to the capital project financing reserve. This was held to mitigate the risk of higher interest rates on borrowing in the near future when the Council would be looking to borrow externally again in the next 12 to 24 months.

Appendix E, relating to the strategic risk register recorded all strategic risks that might impact the ability to deliver Council services. The relative impact and probability of each risk was reviewed each quarter along with all the mitigating controls and actions. There was one new risk which had been added in Quarter 1, relating to the transition of the administration and the risk inherent with a significant number of new members and change of political control. The actions and controls included the training and inductions of members. This risk was anticipated to be a temporary including in the risk register.

The Committee considered the financial aspects of the report and asked questions to which responses were provided. In particular discussions were held on expenditure (third party payments); vacant properties; staff vacancies and exit interviews.

In response to a question raised about the decrease in income and whether this was still related to covid, the Cabinet Member explained that there was still a slight lag in income recovery compounded by the current cost of living crisis.

In response to a question raised on recycling rates and increasing recycling in diverse materials, which in turn would increase revenue, the Cabinet Member advised that recycling was under review and was being looked at by the Environment and Sustainability Working Group, as well as the operations team. Officers would discuss with the Director of Operations on ways to maximise more recycling. The Council was waiting on new Government legislation to improve the consistence of collections, which had been deferred until 2025.

In response to a question raised on whether the Council had a policy to promote staff from within, members were informed that the Council had in place for all services succession planning and a number of roles were filled from within the existing workforce, but external advertisement was still appropriate.

Detailed discussions took place on the Council's budget which was already in deficit in quarter one by £0.4m from a balanced budget at the start of the financial year 2023 to 2024 and wages were increasing.

The report explained that officers were looking at potential cost saving opportunities and efficiencies, but some members were concerned about the early deficit and questioned whether the tough decisions were being taken now as the Council needed to get to grips with the deficit at an early stage.

In response the Cabinet Member explained that she was working with officers and other Cabinet members to address the current in year deficit and a number of options were available.

There being no decision required, the Committee **noted** the forecast 2023 to 2024 revenue and capital positions as detailed in report number PAS/WS/23/014 and appendices and that Cabinet be asked to manage the deficit at an early stage to bring it back to a balanced budget.

198. **Annual Financial Resilience Management Report 2022 to 2023**

The Cabinet Member for Resources presented report number FRS/WS/23/003, which was scrutinised by the Financial Resilience Sub-Committee on 17 July 2023.

The Annual Treasury Management and Financial Resilience Report (2022 to 2023) included tables summarising the interest earned and average rate of return achieved; treasury management investment activity during the year; investments held as at 31 March 2023; external borrowings and temporary loans; capital financing requirement and internal borrowing.

The report also contained information on the council's borrowing strategy and sources of borrowing; borrowing and capital costs (affordability); liability benchmark; borrowing and income (proportionality) and borrowing and asset yields.

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

It was then recommended by Councillor Ian Houlder, duly seconded by Councillor Pat Hanlon, and with the vote being unanimous,

RECOMMENDED

That subject to the approval of Cabinet and Council, the Annual Treasury Management and Financial Resilience Report 2022 to 2023, being report number FRS/WS/23/003, be approved.

199. **Treasury Management Report (June 2023)**

The Cabinet Member for Resources presented report number FRS/WS/23/004, which was scrutinised by the Financial Resilience Sub-Committee on 17 July 2023.

The report showed the position as at 30 June 2023. At this point the Council held £49.5m of investments and borrowing of £9.6m. Interest receivable in the first quarter was driving a budget surplus of £315,930 due to rising interest rates and high levels of cash invested.

The surplus was being held in the capital projects financing reserve in order to mitigate the risk of future borrowing in the current interest environment. The Council's liability benchmark and cashflow forecast showed that the Council would not need to borrow externally within the short to medium-term this financial year.

Following the latest inflation report the Council has seen that the market was expecting a slightly lower projection in the Bank of England's interest rate increase at their next meeting.

The Council continues to seek external advice regarding the timing of external borrowing requirements and that was not predicted for cash flow reasons for the next 12 to 24 months.

Officers were also in discussions with the Council's advisors, Arlingclose to attend a future meeting of the Committee to provide some Treasury Management and oversight training.

The Committee considered the report in detail and asked questions to which responses were provided.

Detailed discussions were held on Arlingclose, the Council's treasury advisors around general advice provided, quarterly reports produced and training they provided.

In Committee acknowledged that Arlingclose stood behind treasury decisions made by the Council but felt the Council should not allow advisors to become a comfort blanket and be more robust in what the Council seeks from organisations.

It was then recommended by Councillor Ian Houlder, duly seconded by Councillor Nick Clarke, and with the vote being unanimous,

RECOMMENDED

That subject to the approval of Cabinet and Council, the Treasury Management Report (June 2023), being report number FRS/WS/23/004, be approved.

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

The Committee received report number PAS/WS/23/015, informing members that at its meeting on 22 June 2023 the Committee deferred making a decision on appointing a substitute, which had not been allocated to a group on the Financial Resilience Sub-Committee. The decision to appoint six members and two substitute members to the Health and Safety Sub-Committee was also deferred.

Financial Resilience Sub-Committee

The Committee considered the substitute place on the Financial Resilience Sub-Committee and agreed that this should be left with a temporary substitute being appointed as and when needed by the Group Leader to the Monitoring Officer.

It was proposed by Councillor Frank Stennett, duly seconded by Phil Wittam, and with the vote being unanimous:

RESOLVED:

That in the event that a member of the Financial Resilience Sub-Committee was unable to attend a meeting, a temporary substitute would be nominated by the Group Leader to the Monitoring Officer.

Health and Safety Sub-Committee

The Committee then considered the appointments to the Health and Safety Sub-Committee and the nominations received, as set out in the report, as follows:

- Conservative Group: Councillors Mike Chester and Ian Houlder.
- Independents: Councillors Andy Neal and Phil Wittam.
- Progressive Alliance Grouping: Councillors Peter Armitage and Janne Jarvis.

The Chair then asked for nominations for the Conservative substitute place, to which none were received, leaving this as a vacancy.

The Chair then asked for nominations for the Independents substitute, to which Councillor Richard Alecock nominated himself.

No further nominations were received.

It was then proposed by Councillor Frank Stennett, duly seconded by Phil Wittam, and with the vote being unanimous:

RESOLVED: That

- 1) Councillors Mike Chester and Ian Houlder (Conservative Group). Andy Neal and Phil Wittam (Independents), and Peter Armitage and Janne Jarvis (Progressive Alliance Group), be appointed as full

members to the Health and Safety Sub-Committee for 2023 to 2024.

- 2) Councillor Richard Alecock (Independents), be appointed as the substitute member to the Health and Safety Sub-Committee for 2023 to 2024.
- 3) The Conservative substitute place on the Health and Safety Sub-Committee remains as a vacancy.

201. **Work programme update**

The Committee received report number: PAS/WS/23/016, which updated members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

It was also reported that the Government had published on 4 July 2023 a policy paper "Office for Local Government: Understanding Supporting Local Government Performance." Officers agreed to circulate a briefing note to members of the Committee setting out information and the Council's views on the policy paper.

The Committee considered its rolling work programme and did not raise any issues.

There being no decision required, the Committee **noted** the update.

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

See minute number 203 below.

203. **2023 to 2024 Performance Report Quarter 1 - EXEMPT Appendix F**

The Performance and Audit Scrutiny Committee made no reference to Exempt Appendix F under report number PAS/WS/23/014, therefore, this item was not held in private session.

The meeting concluded at 6.54pm

Signed by:

Chair

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EY – Auditor’s Annual Report 2021 to 2022

Report number:	PAS/WS/23/017	
Report to and date(s):	Performance and Audit Scrutiny Committee	28 September 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 Cabinet Decisions Plan.

Wards impacted: All wards.

Recommendation: It is recommended that:

- Members note the report and Appendix A.**

1. Context to this report

- 1.1 The purpose of this report is to update members on the outcome of the annual external audit of the 2021 to 2022 financial statements by Ernst and Young (EY), as detailed in their Auditor's Annual Report for the year ended 31 March 2022, attached at **Appendix A**.
- 1.2 The Auditor's Annual Report is for information and brings together all of the auditor's work over the year, including commentary on West Suffolk's value for money (VFM) arrangements as well as their opinion on the 2021 to 2022 financial statements.

2. Proposals within this report

- 2.1 At the meeting of this committee held on 27 July 2023, EY presented their Annual Results Report setting out their progress on the audit of the council's financial statements for the year ended 31 March 2022. That report noted that the work in respect of the audit was complete, and that EY intended to issue an unqualified opinion.
- 2.2 The audit of the financial statements was subsequently completed on 28 July 2023, and EY issued their opinion that the accounts gave a true and fair view of the financial position of the council.
- 2.3 Following the completion of the audit, EY are required to issue an Auditor's Annual Report to the council and external stakeholders, including members of the public, communicating the key issues arising from their work. This report is attached at **Appendix A**.
- 2.4 The proposed fees for the audit of the accounts include additional costs arising from work required to address additional professional and regulatory requirements and changes in scope. These are still to be agreed and will be subject to review by Public Sector Audit Appointments (PSAA).

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 has 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 Auditor’s Annual Report for the year ended 31 March 2022

8. Background documents associated with this report

- 8.1 [PAS/WS/23/013](#) (27 July 2023) – 2021 to 2022 Annual Results Report to those charged with governance
- 8.2 [PAS/WS/23/005](#) (30 March 2023) – West Suffolk Annual Governance Statement 2021 to 2022
- 8.3 [PAS/WS/23/006](#) (30 March 2023) – 2021 to 2022 Statement of Accounts

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West Suffolk Council Auditor's Annual Report

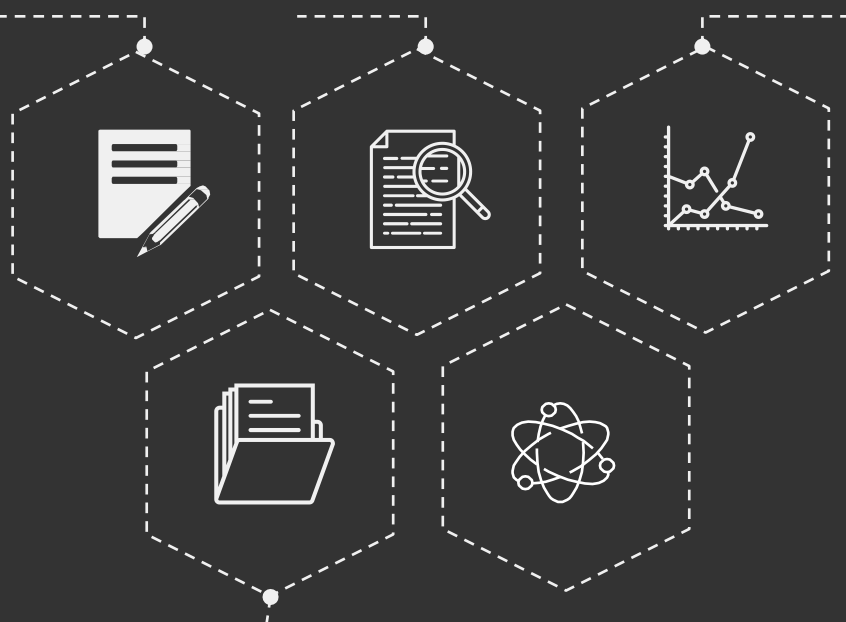
Year ended 31 March 2022

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Audit of the
financial
statements

Value for
Money



Appendix A -
Value for Money
Arrangements

Appendix B -
Fees

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.psaa.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 July 2021)" 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 Council 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 Council 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 Council 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.



Introduction

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the Council, or the wider public, relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2021/22 audit work in accordance with the Audit Plan we issued in August 2022. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2021/22 financial statements of the Council;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council and Pension Fund

The Council are responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



Introduction (continued)

2021/22 Conclusions - West Suffolk Council

Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2022 and of its expenditure and income for the year then ended. We issued our auditor's reports on 28 July 2023.
Going concern	We have concluded that the Section 151 Officer's use of the going concern basis of accounting in the preparation of the Council financial statements is appropriate.
Consistency of the other information published with the financial statement	Financial information in the narrative statement and published with the financial statements was consistent with the audited Council accounts.
Value for money (VFM)	We had no matters to report by exception on the Council's VFM arrangements. We have included our VFM commentary in Appendix A.
Consistency of the annual governance statement	We were satisfied that the Annual Governance Statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of government accounts	Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the NAO. We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts and submitted the Assurance Statement to the NAO on the 14 September 2023. However, until the NAO has confirmed whether they have selected West Suffolk Council as one of the additional sampled components for additional audit procedures we are not able to fully conclude this work.
Certificate	We are not able to issue our certificate until the NAO have confirmed whether we are required to undertake any additional work on the WGA return as noted above.

Audit of the financial statements – West Suffolk Council

Key findings

The Narrative Statement and Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 28 July 2023, we issued an unqualified opinion on the financial statements for the Council. We reported our detailed findings to the Performance and Audit Scrutiny Committee on the 27 July 2023. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
<p>Misstatements due to fraud or error</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>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.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>	<p>We did not identify any material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>Our testing of journals did not identify adjustments outside of the normal course of business. All journals tested had appropriate rationale.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>
<p>Inappropriate capitalisation of revenue expenditure</p> <p>We have considered the key areas where management has material opportunity and incentive to override controls. We have identified the main areas as being;</p> <p>Inappropriate classification of revenue spend as capital expenditure.</p> <p>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.</p>	<p>We did not identify any additions that were capitalised which did not meet the statutory definition of capital.</p> <p>Our testing of year end journals did not identify any movements from revenue expenditure to capital outside of the normal course of business.</p>

Audit of the financial statements – West Suffolk Council

Significant risk	Conclusion
<p>Valuation of the Council's solar farm asset</p> <p>The fair value of the Solar Farm is a significant balance in the Council's accounts and includes estimation subject to valuation changes, impairment reviews and depreciation charges. Management will engaged valuation experts, make significant judgements and apply estimation techniques to calculate the year-end valuation.</p> <p>At 31 March 2022, the value of the solar farm totalled £14.98 million.</p> <p>The current volatility in the energy market which is resulting in significantly higher energy costs will have an impact on the power price forecasting that is 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 farm valuation.</p> <p>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.</p>	<p>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 in relation to: the power price forecast used which was as at the 31 December 2021 (Q4 2021) rather than at the balance sheet date of 31 March 2022; RPI; and the Corporate tax rate.</p> <p>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.</p>

Audit of the financial statements – West Suffolk Council

Significant risk	Conclusion
<p>Valuation of the Mildenhall Hub</p> <p>The valuation of land and buildings represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>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.</p> <p>Management will engage valuation experts, make significant judgements and apply estimation techniques to calculate the year-end valuation.</p> <p>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.</p>	<p>From review of the Mildenhall Hub valuation, our internal valuation specialist identified that a number of the assumptions applied were not supportable in relation to: the 3G sports pitch on site; Land values; the reversionary yields on leased assets; and purchaser costs.</p> <p>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 our internal experts.</p> <p>Our work identified that a number of leases remain un-signed in July 2023.</p>

We did not identify any risks of significant weaknesses in the Council's VFM arrangements for 2021/22.

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Our VFM commentary highlights relevant issues for the Council and the wider public.

We have no matters to report by exception in the audit report.

Scope

We are required to report on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We have complied with the guidance issued to auditors in respect of their work on value for money arrangements (VFM) in the 2020 Code of Audit Practice (2020 Code) and Auditor Guidance Note 3 (AGN 03). We presented our VFM risk assessment to the Council which was based on a combination of our cumulative audit knowledge and experience, our review of Council reports, meetings with officers and evaluation of associated documentation through our regular engagement with Council management and the finance team.

Reporting

We completed our risk assessment procedures and did not identify any significant weaknesses in the Council's VFM arrangements. We have also not identified any significant risks during the course of our audit. As a result, we had no matters to report by exception in the audit report on the financial statements.

Our detailed commentary for 2021/22 is set out in Appendix A. The commentary in Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2020/21 Annual Auditors Report and have been updated for 2021/22.

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weaknesses identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weaknesses identified
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	No significant risks identified	No significant weaknesses identified

Appendices

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Appendix A – Summary of arrangements

Financial Sustainability

Reporting Sub-Criteria	Findings
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them.	The Council prepares a Strategic Plan outlining the key priorities for the Council. Each service area develops a Business Plan for delivery of the Strategic Plan. The Strategic Plan and Business Plan are used in the development of the Medium Term Financial Strategy which identifies the required resources to deliver services. Each year the Medium Term Financial Strategy is updated with a subsequent period. This is achieved through consultation with budget managers in their areas of responsibility.
How the body plans to bridge its funding gaps and identifies achievable savings.	Funding gaps are identified as part of the Medium Term Financial Strategy and Annual Budget Setting Process. The Council engages in the use of financial levers through changes in council tax, business rates, and service fees to bridge these gaps. Directors assign budget holders responsibility for areas of the budget aligned with the decision making responsibility for that area of expenditure.
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities#.	The Medium Term Financial Strategy allocates resources in line with the priorities established in the Council Strategic Framework and essential services. The Annual Budget Setting Process considers where expenditure can be scaled back or identification of opportunities for generation of income.
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system.	The Council prepares a Strategic Plan outlining the key priorities for the Council. Each service area develops a Business Plan for delivery of the Strategic Plan. The Strategic Plan and Business Plan are used in the development of the Medium Term Financial Strategy.
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.	The Council maintains a Strategic Risk Register that identifies the potential risk, level of risk based on probability and impact, owners of the risk, and actions to mitigate the risk. The Council maintains a treasury management strategy to safeguard against liquidity shortages and undertakes going concern assessment as part of preparation of the Statement of Accounts.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria	Findings
How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	Risk reporting is undertaken as part of the balanced scorecard approach to performance management. These scorecards are reviewed monthly by the Leadership team and quarterly by the Performance and Audit Scrutiny Committee. Assurance over the operation of internal controls is achieved through an internal audit function who use a risk-based approach to identify the on-going audit programme. The Council has also established counter-fraud and whistle blowing policies to facilitate a culture of incident reporting.
How the body approaches and carries out its annual budget setting process	The Section 151 Officer prepares and submits the annual budget to the Council on the basis of information provided by the West Suffolk Council Leadership team and budget holders. Consideration is given to the existing approved Medium Term Financial Plan and updates are made as necessary for assumption, changes in existing delivery plans, and changes in the macro environment. Budget holders are consulted for the areas of the budget in which they will be held responsible and accept accountability for their budgets and services to be delivered. The budget is presented to the Council for approval.
How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.	Directors are responsible for controlling income and expenditure based on the budget approved by the Council. The directors further delegate the monitoring of the budget to budget holders directly responsible for the decision making process that commits expenditure. Budget monitoring is an on going process with quarterly performance reporting to the Performance and Audit Scrutiny Committee.
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.	The Council consults with members of the public through a number of avenues from workshops, telephone calls, social media channels and the website, to gauge public opinion issues. Non-cabinet member and the public are also permitted to speak at meetings on any matter of the agenda. The Performance and Audit Scrutiny Committee is comprised of appropriately skilled and experienced members and have clear terms of reference which emphasise the Committee's role in providing effective challenge.

Appendix A – Summary of arrangements (continued)

Governance

Reporting Sub-Criteria	Findings
How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)	The Council has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements as set out in the Constitution under Section 5 for Members, Officers, and Employees. The Council has an established complaints process with complaints being addressed by the Monitoring Officer. Any gifts and hospitality received are declared under the relevant members name and published on the website. Additionally, all offers of gifts and hospitality of whether accepted or not, must be recorded within 28 days. Reminders are sent monthly to members to update declarations.

Appendix A – Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement.	The Council appoints a Performance and Audit Scrutiny Committee that monitors the performance of the council with consideration of performance indicators, financial information, reports from external inspections, audit reports, and business plans. On a quarterly basis the Performance and Audit Scrutiny Committee receives Performance Reporting from the Section 151 Officer.
How the body evaluates the services it provides to assess performance and identify areas for improvement.	The Council identifies priorities in its Strategic Framework to assess the performance in achievement of the stated strategic initiatives. These measures are reported on a quarterly basis to the Performance and Audit Scrutiny Committee. In preparation of the Annual Budget the Council considers adjustments to the services provided to achieved a balanced budget through reduction of service or identification of new income generation streams. The Council furthers uses a balanced score card approach.
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve.	Partnership arrangements take the form of Service Level Agreements which are reviewed as part of the budget setting process. The Council maintains a formal protocol on how it enters into funding arrangements with voluntary and third sector organisations.
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.	The Council employs a procurement strategy through its Contract Procedure Rules, Modern Slavery Statement, Equality Statement, and Strategic Framework. The Council has a qualified procurement manager who assesses the appropriateness of significant procurement contracts against laws and regulations. Significant procurement activities are monitored through budget reports provided by specifically assigned project managers.

Appendix B – Fees – West Suffolk Council

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 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity. 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 has been submitted.

We carried out our audit of the Council's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated April 2018)".

Audit Fees – West Suffolk Council	Final Proposed Fee 2021/22	Planned fee 2021/22	Final Fee 2020/21
	£	£	£
PSAA scale fee	55,050	55,050	55,050
Changes in work required to address additional professional and regulatory requirements and changes in scope	51,735 (Note 2)	TBC	47,734 (Note 1)
Fee variation on additional risk areas:			
• Significant Risk: Mildenhall Hub Valuation	12,933		
• Significant Risk: Solar farm	5,449		
• Inherent Risk: Infrastructure Assets	2,585		
• Inherent Risk: Group	8,250		
• Impact of March 2022 Triannual valuation on pension liability	5,338		
Total Fees	141,340	TBC	102,784

All fees exclude VAT

Note 1: Following completion of the 2020/21 audit we submitted a proposed additional fee of £86,807 to PSAA. 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 2020/21 in respect of Covid, significant risks, new NAO Code of Audit Practice and ISA requirements. PSAA Ltd determined, a final additional fee for 2020/21 of £47,734.

Note 2: For 2021/22 the scale fee will again be impacted by the increased regulatory requirements and our proposed uplifting of the base scale fee. An increased fee is also proposed for additional audit procedures required to respond to the risks identified which are not reflected in the PSAA scale fee. The proposed additional fee is yet to be discussed with management and remains subject to determination by PSAA.

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ED None

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West Suffolk Annual Governance Statement 2022 to 2023

Report number:	PAS/WS/23/018	
Report to and date(s):	Performance and Audit Scrutiny Committee	28 September 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 Cabinet Decisions Plan.

Wards impacted: Not applicable

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

1. Scrutinises the draft 2022 to 2023 Annual Governance Statement and makes comments as necessary.

1. Context to this report

- 1.1 West Suffolk Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The annual governance statement provides stakeholders with assurance that the council has operated within the law and that it has met the requirements of the Accounts and Audit Regulations 2015. The annual governance statement accompanies the statement of accounts.

2. Proposals within this report

- 2.1 A copy of the draft West Suffolk Annual Governance Statement 2022 to 2023, prepared by the Officer Governance Group, is attached to this report at **Appendix A**.
- 2.2 A key function of the council's Performance and Audit Scrutiny Committee is to review and approve the draft annual governance statement prior to it being signed by the council's Leader and Chief Executive.
- 2.3 The draft annual governance statement is presented here for scrutiny and comment by the Performance and Audit Scrutiny Committee. Approval by this committee, and signing by the Leader and Chief Executive, will be sought at a later date and timed to take into account the timetable for the external audit of the 2022 to 2023 Statement of Accounts.

3. Alternative options that have been considered

- 3.1 Production and approval of an annual governance statement is required under regulations issued by the Government. No alternative options were considered.

4. Consultation and engagement undertaken

- 4.1 This report was produced in consultation with the Leadership Team.

5. Risks associated with the proposals

- 5.1 Approval of an annual governance statement is required under regulations issued by the Government.

6. Implications arising from the proposals

- 6.1 Any implications arising are covered within Appendix A.

7. Appendices referenced in this report

- 7.1 Appendix A – Draft West Suffolk Annual Governance Statement 2022 to 2023

8. Background documents associated with this report

- 8.1 None

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West Suffolk Council Annual Governance Statement 2022 to 2023

Introduction

The West Suffolk Council [Local Code of Corporate Governance](#)¹ defines good governance as how we ensure we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This comprises the systems and processes and cultures and values, by which the council is shaped, directed and controlled and through which we are accountable to, engage with and lead communities.

Operating under a leader and cabinet model of governance, West Suffolk Council's arrangements for delegation of council functions to committees and officers are set out alongside the Leader's executive arrangements in the Constitution, which is always under review, to ensure robust arrangements for open, transparent, and accountable decision making.

Decision making, financial arrangements and procurement activity are bound by clear rules of procedure that focus resources on the achievement of the council's strategic outcomes and are rooted in legal compliance. All these arrangements are kept constantly under review, including by considering best practice from other councils and organisations.

This Annual Governance Statement sets out how the council complies with its code of corporate governance throughout 2022 to 2023, how the effectiveness of governance arrangements has been monitored, and any planned changes.

Key features of West Suffolk Council's governance, including specific activities from 2022 to 2023

In order to secure the outcomes and aspirations of elected members, the West Suffolk Council's governance arrangements seek to ensure that we serve local communities in a way that demonstrates accountability, transparency, effectiveness and value for money, integrity, and inclusivity.

Governance processes

The council monitors the achievement of its strategic objectives as set out in the Strategic Framework and supporting strategies; and assesses whether those objectives have led to appropriate outcomes and value for money.

¹ The code was prepared in accordance with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework, 'Delivering Good Governance in Local Government'

Defining outcomes

West Suffolk Council uses data to better understand the issues facing its communities and their challenges and opportunities. This includes working in partnership through the Suffolk Office of Data & Analytics (SODA) which was set up as a collective endeavour between Suffolk public service organisations to improve our usage of data to generate new insights into public services and the needs they serve.

One of the ways West Suffolk Council is meeting the issues that are identified is by building capacity in the community. This is primarily achieved through the council's Families and Communities approach, which guides its broader frameworks and plans.

West Suffolk's identified ambition for growth is achieved through the implementation of the Growth Investment Strategy, supported by the Investing in Growth Fund. These measures seek to support and invest in communities and businesses to encourage and manage ambitious growth in both local prosperity and quality of life.

A key element to this is ensuring that the council has a sustainable budget. The West Suffolk Council Medium Term Financial Strategy (MTFS) sets out how we are working more efficiently, through transforming services, moving to digital forms of communication, and behaving more commercially.

Interventions

West Suffolk Council is innovative in its approach to delivery models, including partnerships, a wholly-owned housing company and a strategic relationship with the leisure trust. These structures are kept under review to ensure they remain fit for purpose and meet the council's code of corporate governance.

The council also has a Target Operating Model which acts as a template for the delivery of services to individuals and businesses and which ensures digital transactions are maximised where appropriate and routine back-office functions are carried out in the most efficient and effective way possible.

Managing risks and performance

West Suffolk Council has in place a comprehensive framework to monitor and challenge performance and appraise projects.

In 2022 to 2023, the council implemented a refreshed set of key performance indicators (KPIs), reporting monthly to Leadership Team and portfolio holders. The Performance and Audit Scrutiny Committee (PASC) receives the KPIs and financial performance through quarterly reports for monitoring and scrutiny.

The Overview and Scrutiny Committee promotes open and transparent decision-making, democratic accountability and holds the Cabinet to account for its actions.

Building capacity

The council recognises the importance of developing its capacity as an organisation, including the capacity of its leadership through continuous development and collaboration between the council's Leadership Team and Service Managers.

West Suffolk Council also recognises the benefits of improving expertise and staying up to date in our practice. As a result, the council invests in the development of its councillors and staff through training.

This included establishing in 2022 to 2023:

- Treasury management training for members
- Core management training for Service Managers and Team Leaders
- An Aspiring Leaders programme, as well as a peer networking and self-mentoring group
- A new Workforce Strategy

In 2022 to 2023, a statutory officers' group was established, to formalise the ongoing liaison between the Head of Paid Service, Section 151 officer and Monitoring officer.

Ensuring openness

The council shares information on its investments, partnerships, and other achievements through the council's website, news releases and social media.

A number of consultations, with new engagement methods, were also carried out during 2022 to 2023, in particular in relation to the Local Plan. In addition, 'West Suffolk Council: The story so far' was published, reviewing the activities of the council over the last four years.

Proposed activity, 2023 to 2024

Following the local government elections on 4 May 2023, a new administration has been formed to lead West Suffolk Council. The administration will set out a policy programme and agree governance arrangements to ensure the delivery of its commitments for the coming municipal term. As such, governance and scrutiny arrangements may be altered, and new priorities and processes agreed.

The council has a number of proposed activities relating to governance for 2023 to 2024. This includes:

- The council will be inviting the Local Government Association (LGA) to carry out a Corporate Peer Challenge review.
- Working in partnership with other authorities to work towards finalising the potential of a County Deal.
- Implementing the Rural England Prosperity Fund.
- Responding to changes in Government policy, such as planning, waste and recycling and levelling up.
- Producing a new Strategic Framework and Housing Strategy.
- Submitting the draft Local Plan for examination.
- Reviewing council contracts as part of the internal Change and Service Improvement programme
- Reviewing of learning of other councils, specifically looking into measures to prevent governance failings.

Review of effectiveness

The annual review of the governance framework and system of internal control involves:

- a self-assessment exercise.
- consideration of audit issues raised and audit opinions issued during the period.
- the external auditor's comments, and other review agencies and inspectorates' reports.
- where appropriate, production of an action plan where progress is assessed and recorded.

Based upon the audit work undertaken during the financial year 2022 to 2023, as well as assurances made available to the council by other assurance providers, the Service Manager (Internal Audit) has confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the council, as well as the risk management systems, are operating adequately and effectively.

Significant governance issues

The review of the effectiveness of the governance framework for 2022 to 2023 concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

There are no significant governance issues to disclose.

Appendix – Elements of governance framework (by Principle)

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Constitution • Employees Code of Conduct • Councillors Code of Conduct • Contract Procedure Rules • Anti-fraud and Anti-corruption Policy • Whistleblowing Policy • Anti-Money Laundering Policy • Registers of interests • ICT Security Policy • Monitoring Officer • Statutory Officer Group • Safeguarding Policy • Modern Slavery Statement • Equality Scheme • Camera Surveillance Code of Practice
Principle B	Ensuring openness and comprehensive stakeholder engagement
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Annual report • Environmental Statement • Reports and minutes available on the council's website • Consultation Statement • Equality Scheme • Use of complaints and feedback to aid learning for future service development. • Media and social media releases. • Council website

Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Strategic Framework • Growth Investment Strategy • Housing Strategy • Families and Communities Approach • Medium Term Financial Strategy • Local Plan • Treasury Management • Capital Strategy • Business plans • Risk Management Policy and toolkit • Investment Framework • Environment and Climate Change Action Plan
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Consultation statement and programme • Families and Communities approach • Enforcement • Performance monitoring • Project management framework • Procurement Policy • Medium Term Financial Strategy • Business partner model • Business case model • Partnership working across the public and voluntary sectors in Suffolk • Change and Service Improvement (CSI) programme
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Key elements of the council's	<ul style="list-style-type: none"> • Workforce plan • Learning and development policy

governance framework	<ul style="list-style-type: none"> • Constitution • Employee performance review framework • Disciplinary procedure • Job descriptions • Agile working guidance
Principle F	Managing risks and performance through robust internal control and strong public financial management
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Financial procedure rules • Contract procedure rules • Treasury management strategy and growth investment strategy • Budget monitoring • Performance and Audit Scrutiny Committee • Strategic risk register • Investment framework • Risk management toolkit • Performance Dashboards • Internal audit • Business continuity plan • Corporate Complaints and Compliments Policy
Principle G	Implementing good practices in transparency, reporting and audit to deliver effective accountability
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Council website • Statement of accounts • Annual Governance Statement • Annual Report • Environmental Statement • Medium Term Financial Strategy • Anti-fraud and Anti-corruption Policy • Whistleblowing Policy • Data Protection Policy • Officer Information Governance Group • Performance Dashboards • Annual internal audit report and opinion

Assurance by Chief Executive and Leader of the Council

We approve this statement and confirm that it forms the basis of the council's governance arrangements and that these arrangements will be monitored and strengthened in the forthcoming year as described above.

Signed:

XXXXX
Leader of the Council

Date:

Signed:

Ian Gallin
Chief Executive

Date:

2022 to 2023 Draft Annual Statement of Accounts

Report number:	PAS/WS/23/019	
Report to and date(s):	Performance and Audit Scrutiny Committee	28 September 2023
Cabinet member:	Councillor Diane Hind Cabinet Member 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 the Performance and Audit Scrutiny Committee:

1. Scrutinises and notes the 2022 to 2023 Draft Statement of Accounts for West Suffolk Council (attached at Appendix A).

1. Context to this report

- 1.1 Statutory requirements for the reporting and approval of the council's annual financial statements are set out in the Accounts and Audit Regulations 2015. The regulations require the council to submit draft accounts to its external auditors, currently Ernst and Young (EY), by 31 May each year, with member scrutiny and approval of the accounts required once the audit has been concluded (by 31 July each year).
- 1.2 In July 2022 the government issued regulations – the Accounts and Audit (Amendment) Regulations 2022 – as part of a package of measures to improve local audit delays. These regulations extended the deadline for final approval and publication of the audited accounts from 31 July to 30 September for six years commencing with the 2022 to 2023 accounts.
- 1.3 Due to the planned phased approach to delivering the 2022 to 2023 audits across Suffolk, the external audit of the draft accounts of West Suffolk will not begin until November 2023 at the earliest, and it will not be possible, therefore, to complete the audit and publish the accounts by the end of September 2023 in line with the revised legislation. However, this situation is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015.
- 1.4 In order to ensure that this committee are able to have sight of the 2022 to 2023 accounts in a timely manner following the end of the financial year, it has been decided to present the draft unaudited accounts to this meeting, with the audited accounts going through the normal committee approval process when EY are able to complete their work. The draft accounts for 2022 to 2023 are attached at **Appendix A**.
- 1.5 These are the statutory annual accounts of West Suffolk Council. They have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which is updated annually to reflect statutory and regulatory changes to accounting policies.

2. Financial Highlights – 2022 to 2023

- 2.1 A full commentary on the financial performance of the council can be found in the Narrative Report on pages 7 to 14 of the Draft Statement of Accounts (**Appendix A**). The key aspects are highlighted below.

- 2.2 **Revenue Expenditure** – For the 2022 to 2023 financial year, the council saw a decrease in its General Fund reserve from £6.045 million to £5 million. The reduction resulted from the planned use of the General Fund to finance a COVID-19 income recovery budget of £0.475 million, as well as the funding of the outturn deficit for the year of £0.57 million. This deficit was a direct result of inflation and the wider economic conditions caused by global pressures. Overspends on vehicle fuel, utilities, materials and supplies and services were mitigated by increased interest rates on investments, improved recycling credits and higher income or reduced costs from renewable measures that the council has invested in such as Toggam Solar Farm, solar panels on buildings and battery chargers. Furthermore, the effect of the local government pay award, which caused an additional pressure of around £1.3 million for 2022 to 2023, was controlled significantly in year through vacancy management. The outturn position and the closing general fund balance are reflected in the Expenditure and Funding Analysis disclosure within the attached Statement of Accounts (page 18). Details of major over and under spends can be seen in the report reference [PAS/WS/23/007](#), entitled '2022-2023 Performance Report (Quarter 4)' considered by this committee on 1 June 2023.
- 2.3 **Capital Expenditure** – The council's capital expenditure for 2022 to 2023 totalled around £13 million, which included investment in the council's wholly owned housing company Barley Homes through its revolving loan facility (£0.7 million), expenditure on the redevelopment of 17 to 18 Cornhill, Bury St Edmunds (£1.7 million), Western Way development (£1.5 million), investment in the Community Energy Plan and the Net Zero Plan (£1.2 million) and purchase of vehicles and plant (£2.0 million). The council spent approximately £1.5 million on capital grants within the year. Around £3 million of the total £13 million spend for 2022 to 2023 was funded from the council's usable capital receipts, a further £3.2 million from grants and contributions, and £5.5 million being funded from revenue reserves. The remaining amount was funded through the council's internal and external borrowing as agreed as part of the business cases for each of the capital projects. Details of the major variances on the capital programme can also be seen in report [PAS/WS/23/007](#).
- 2.4 **Usable Reserves** - An integral part of the council's financial strategy is to ensure that usable reserves are maintained at a healthy level. Usable reserves are split into two main categories: revenue reserves (the General Fund and Earmarked reserves) and unallocated capital reserves (the Capital Receipts Reserve and Capital Grants Unapplied Reserve). During 2022 to 2023 the total value of the council's usable reserves decreased from £58.1 million (at 1 April 2022) to £55.4 million (at 31 March 2023), a net decrease of £2.7 million. Further details regarding the movement in reserves during the year are provided on page 22 of the Statement of Accounts and in Note 10 Transfers to or from earmarked reserves on page 42.

- 2.5 **Pension Fund** - The Local Government Pension Scheme is a national statutory scheme which, for Suffolk authorities, is administered by Suffolk County Council. Annual scheme valuations based on International Accounting Standards (IAS 19) are undertaken for the purpose of the council's annual financial statements. As at 31 March 2023, the council's IAS19 pension valuation disclosed an overall fund surplus of £16.8 million. Under IAS19, where the pension valuation is showing as a net asset, this is restricted to the value of the 'asset ceiling' for the value of the asset that is shown in the Balance Sheet, and this has been estimated at £0 million. The total asset or liability on the pension fund has a substantial impact on the net worth of the council as recorded in the Balance Sheet. However, it must be emphasised that this IAS19 position has no immediate impact on the council's general fund or council taxpayers, as the contribution rates to the Suffolk County Council pension fund are determined by a separate triennial actuarial review and not the IAS19 valuations. Further details regarding the council's pension fund performance are provided in Note 32 Defined Benefit Pension Schemes on page 88 of the Statement of Accounts.

3. **Annual Governance Statement**

- 3.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The outcome of this review forms the basis of the Annual Governance Statement (AGS) which is considered in a separate report on this agenda. The AGS does not form part of the Statement of Accounts (and is not covered by the Chief Finance Officer's certification or the audit report) but will be included alongside them in the final published accounts.

4. **Payments to Councillors**

- 4.1 Note 26 in the Statement of Accounts (Member's Allowances) provides summary total figures for Councillor allowances and expenses.
- 4.2 A more detailed analysis of these allowances, broken down by Members, is published online in accordance with the statutory responsibility to disclose this information as part of the local government transparency agenda. A link to the website location is provided below:

Councillors allowances

5. Alternative options that have been considered

- 5.1 The Accounts and Audit Regulations 2015 set out the requirements for the reporting and approval of the Council's annual financial statements. Therefore, there are no alternative options.

6. Consultation and engagement undertaken

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

7. Risks associated with the proposals

- 7.1 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.

8. Implications arising from the proposals

- 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** – West Suffolk Council Draft Statement of Accounts 2022 to 2023

10. Background documents associated with this report

- 10.1 **COU/WS/22/003** (22 February 2022): Budget and Council Tax Setting 2022 to 2023 and Medium Term Financial Strategy 2022 to 2026 [COU/WS/22/003](#)
- 10.2 **PAS/WS/23/007** (1 June 2023): 2022 to 2023 Performance Report (Quarter 4) [PAS/WS/23/007](#)

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DRAFT Statement of Accounts 2022 to 2023

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Accessibility statement

We are aware that, owing to the nature and format of the disclosures that are required to be included in this document, not all of the tables are fully compatible with accessibility standards.

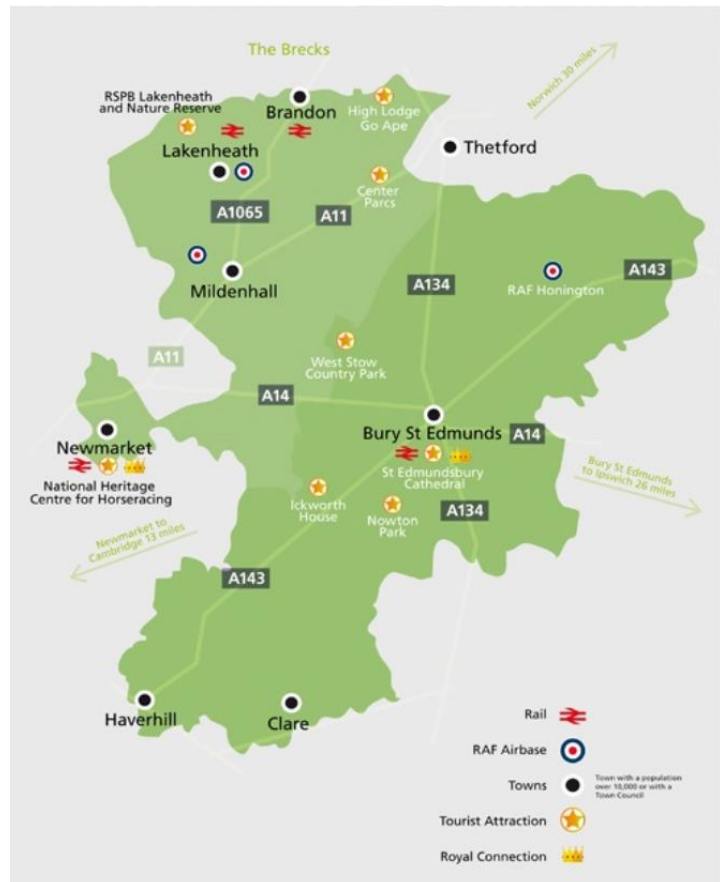
Should you have any questions regarding this statement of accounts or require any of the tables or disclosures to be provided in a more accessible format please contact accountancy@westsuffolk.gov.uk

Introduction

About the area

West Suffolk is a predominantly rural area of 1,035 square kilometres in the heart of East Anglia with a population of 179,946 (source: Census 2021). Well-connected with London, the rest of East Anglia and the Midlands, West Suffolk is a safe and comparatively prosperous place in which to live. West Suffolk has a thriving and diverse economy across its rural areas and six market towns, embracing a number of business sectors, including horseracing, a developing advanced manufacturing and engineering sector and several that support the two major US Air Force bases at RAF Mildenhall and Lakenheath. It also has some beautiful and accessible countryside areas, including grassland, heath and forest. At the same time, some areas of West Suffolk are facing challenges such as rural isolation, a lack of skills or qualifications, an ageing population in need of more specialist housing or care, poverty, ill-health or deprivation.

The map opposite shows the district of West Suffolk, including the main towns, points of interest including Mildenhall and Lakenheath airbases, and the major trunk roads.



West Suffolk Council was formed on 1 April 2019, from the two predecessor councils of St Edmundsbury Borough and Forest Heath District Council. It is made up of 72 councillors and was Conservative controlled during 2022 to 2023. It operated under a leader and cabinet style of governance. Councillors were elected to West Suffolk Council in May 2019.

Further information can be found by following the links below:

[Suffolk Observatory](#)

[West Suffolk Strategic Framework](#)

Narrative report by the Chief Finance Officer

Introduction

I am pleased to introduce the council's Statement of Accounts for 2022 to 2023. West Suffolk Council provides a diverse range of services to its residents. These services include refuse collection, leisure and recreation, housing options, car parking, environmental health, economic development, planning and development control and many more which support our families, communities, and businesses.

The Statement of Accounts for the council summarises the transactions that have taken place during the year 1 April 2022 to 31 March 2023 and are intended to give an overall view of the council's financial position. The accounts have been produced to show all the financial statements and disclosure notes required by statute by complying with the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting statements have also been prepared in accordance with the Accounts and Audit Regulations 2015.

Introducing West Suffolk Council

West Suffolk Council is seen nationally as innovative in transforming local government to get better outcomes and drive the local economy, while managing growth.

The council has responsibility for the West Suffolk area, with a population of around 179,800 (Source: Census, 2021), working in partnership to invest in and enable local communities. The council has responsibility for:

- Housing
- Waste and recycling collections
- Street cleansing
- Car parking
- Parks, open spaces and leisure
- Electoral registration
- Local planning
- Public protection, including licensing and environmental health.

In an extremely challenging year, we have continued to support our local communities and businesses while driving forward our ambitious vision for growth, jobs, and economic prosperity.

The West Suffolk Strategic Framework represents a joined-up approach to the Strategic Framework, West Suffolk Local Plan and Medium Term Financial Strategy. It means we can take a coherent approach to what we want to see achieved in West Suffolk in the coming years. This document is available here [Strategic Framework 2020 to 2024](#).

Income recovery

Government requires councils to raise income to deliver services. Like other authorities and public services across the country the COVID-19 outbreak had a significant impact on the council's financial position during the financial years 2020 to 2022 and this impact has continued in some but not all areas in the year 2022 to 2023. The 2022 to 2023 budget approved in February 2022 was set assuming all income streams would recover to pre-COVID levels but, recognising that recovery

may not be immediate in some services, allowed for an overall £0.475 million income loss provision centrally (in reserve) to manage this.

Whilst West Suffolk continues to recover its services and income streams since the pandemic and the national and local lockdowns, the effects in some areas are likely to be felt for years to come. 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.

All these elements, as well as national public behavioural changes in travel, shopping and working created by these issues, have had an adverse impact on businesses, retail and public services nationally.

Consequently, income generation for public services across the UK has been severely impacted by a combination of all these challenges. 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.

This includes income from leisure and cultural events, trade waste and our garden waste service which have recovered well during the year 2022 to 2023. In addition, other services, such as car parks and markets, are recovering but not back to pre-COVID levels (as the budgets assumed). The data collected during the year 2022 to 2023 helped inform a revised income budget level for these two areas in the 2023 to 2024 budget.

Performance of the council 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

In addition to the ongoing effects of income recovery, other global economic pressures are having a major impact on the council's finances. The significant increases in energy and fuel 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 2022 to 2023 financial year and across the medium term. A number of these have been taken into account for the 2023 to 2024 budget.

These wider economic pressures can be seen in the year end outturn position for 2022 to 2023, particularly in the overspends on vehicle fuel, utilities, materials and supplies and services. These pressures are 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.

However, the global economic pressures have had some positive impacts on the budget. The additional income has been helped by financial decisions previously made by the council in terms of investment. This includes increased interest rates on investments and improved dividend payment expected from Barley Homes, the council's wholly owned Housing Company. There are also improved recycling credits as a result of higher commodity prices with materials being better collected by our modern Operational Hub facilities. 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 either brings a higher income or reduced costs. In addition, schemes such as solar for business that the council runs not only has

brought 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.

The outturn position also includes the effect of the local government pay award which was agreed on 1 November 2022. A pay rise of £1,925 per annum on all pay scales was agreed, effective from 1 April 2022. The impact on the 2022 to 2023 financial year was a cost increase of around £1.3 million over what was assumed in the approved budget set in February 2022. This impact has been managed significantly in year within the overall employment costs for the council through vacancy management.

Overview of the financial year 2022 to 2023

Due to the national and global impacts and challenges set out above, the year end outturn position showed a deficit of £0.6 million (which is just over 1% of total income excluding benefits), made up of a number of variances to budget. The council had been forecasting a deficit all year, with this year-end position being a significant improvement on the quarter 3 estimated outturn of a £1.4 million deficit.

At 1 April 2022 the council's General Fund (its contingency reserve which represents around 25 per cent of the net budget) balance stood at £6.045 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. Given the year end position (including the £0.475 million COVID-19 provision which was also to be met from the General Fund), this reduced to a balance of £5 million at 31 March 2023. 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 budget plans going forward. 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.

The following tables show the sources of the council's income for 2022 to 2023, and how it was spent on services (excluding accounting adjustments required by International Financial Reporting Standards):

Where the money came from in 2022 to 2023	£000	Per cent
Council taxpayers	11,200	11.0
Business rates	8,287	8.2
Fees, charges and other income	36,798	36.2
Housing benefit subsidy	27,549	27.1
COVID-19 grants	541	0.5
Other grants	5,922	5.8
Transfer from reserves - business rates collection fund deficit	5,696	5.6
Transfers from reserves - other	2,625	2.6
Interest and investment income	1,996	2.0
Transfer from General Fund	1,045	1.0
Total income	101,659	100.0

Where the money was spent in 2022 to 2023	£000	Per cent
Cost of employment	31,598	31.1
Housing benefit payments	27,367	26.9
Supplies and services	10,982	10.8
Premises	7,584	7.5
Transport	1,822	1.8
Third party payments	2,968	2.9
Business rates collection fund deficit due to COVID-19 reliefs	5,696	5.6
Transfers to reserves	12,397	12.2
Capital costs	1,245	1.2
Total expenditure	101,659	100.0

Details of significant variances against budget can be seen in the report reference [PAS/WS/23/007](#), entitled '2022 to 2023 Performance Report Quarter 4' considered by the Performance and Audit Scrutiny Committee on 22 June 2023.

The council's capital expenditure for 2022 to 2023 totalled around £13 million, which included investment in the council's wholly owned housing company Barley Homes through its revolving loan facility (£0.7 million), expenditure on the redevelopment of 17 to 18 Cornhill, Bury St Edmunds (£1.7 million), Western Way development (£1.5 million), investment in the Community Energy Plan and the Net Zero Plan (£1.2 million) and purchase of vehicles and plant (£2.0 million). The council spent approximately £1.5 million on capital grants within the year. Around £3 million of the total £13 million spend for 2022 to 2023 was funded from the council's usable capital receipts, a further £3.2 million from grants and contributions, and £5.5 million being funded from revenue reserves. The remaining amount was funded through the council's internal and external borrowing as agreed as part of the business cases for each of the capital projects.

Material and unusual charges or credits within the statements

The council invested in its land and buildings during 2022 to 2023, as referenced above, for both statutory and growth purposes.

What do the accounts mean?

Users of the financial statements will have a variety of interests; some of the primary areas of interest will be:

- Did the council make a surplus or deficit for the financial year?
- What is the size of the council reserves?
- What does the council spend its money on?
- Where does the council receive income from?

Hopefully the information contained in this narrative and below will answer these questions. There is also a lot more information contained within these financial

statements and notes, and these have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Code of Practice for Local Government, to allow comparability with other local government accounts as well other public and private sector financial statements.

Explanation of the statements

The statements included in the accounts are explained below:

- **The Statement of Responsibilities for the Statement of Accounts** identifies the officer who is responsible for the proper administration of the council's financial affairs, including the communication that the accounts present a true and fair view of the financial position of the council.
- **The Expenditure and Funding Analysis** is a note to the accounts and not a core statement. However, in accordance with the code of practice, it has been given due prominence in the accounts and sits ahead of the statements. It demonstrates to council taxpayers how the funding available to the authority (in other words government grants, council tax and business rates) for the year has been used in providing services, in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.
- **The Comprehensive Income and Expenditure Statement** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (in other words those that can be applied to fund expenditure or reduce local taxation) and other reserves.
- **The Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves held by the council which are reported in two categories. The first category of reserves are usable reserves, in other words those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- **The Cash Flow Statement** summarises the inflows and outflows of cash arising from revenue and capital transactions with third parties. The statement excludes internal movements of funds between the council's accounts.

- **The Collection Fund** shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and business rates.
- **Group Accounts** shows the combined income and expenditure and balances of all the constituent bodies inclusive of any significant subsidiary.

Retirement benefits

The council is required to include information on retirement benefits within the Statement of Accounts which must be in accordance with International Accounting Standard 19.

I have summarised the treatment of pensions and other forms of retirement benefits for the narrative report.

The figures contained in the Statement of Accounts are based on the latest actuarial valuation of the pension fund as at 31 March 2023 by Hymans Robertson LLP, an independent firm of actuaries. This stated that the fund's assets were more than its liabilities. The council's proportion of this net asset was estimated at £16.8 million.

This net asset has arisen primarily from actuarial gains as a result of more favourable financial assumptions than previously anticipated.

Under International Accounting Standard 19 (IAS19) Employee Benefits, where the defined pension benefit obligation is shown as an asset, this is restricted to the value of the 'asset ceiling'.

This asset ceiling is shown as the present value of any economic benefits available in the form of refunds from the plan or reductions in future employer's contributions. At 31 March 2023 the value of the council's asset ceiling has been estimated at £0 million, and as such this is the value of the asset that is shown in the balance sheet, being the lower of the asset ceiling and the net defined benefit asset of £16.8 million.

The net defined benefit asset shows that the council's pension fund is currently in a healthy position, being able to meet its underlying commitments in the long run to pay retirement benefits.

The total asset or liability on the pension fund has a substantial impact on the net worth of the council as recorded in the Balance Sheet. However, it should be noted that the pension scheme contributions over the remaining working life of employees will be reviewed and assessed by the scheme actuary on an ongoing basis.

It should be noted that the pension fund's accounts have still to be audited so the figures upon which these accounts have been based might be subject to change.

Further detail in relation to retirement benefits can be found in Note 32 to the accounts.

Significant provisions, contingencies or write-offs

The council has reduced its provisions by £2.6 million during the year to £2.6 million for the financial year ending 31 March 2023. The reduction is primarily due to the removal of the unused element of the provision relating to the 2017 valuation list

which came to an end on 31 March 2023 as a result of the 2023 revaluation. These provisions are detailed in Note 20 to the accounts.

The council has included various contingent liabilities (Note 33) and contingent assets (Note 34) within the accounts.

Significant cashflows present and future

During 2022 to 2023 West Suffolk Council made loans and investments in its wholly owned housing delivery company, Barley Homes, totalling £0.7 million with Barley Homes also repaying loans back to West Suffolk Council, totalling £3 million. West Suffolk Council also invested in the ongoing regeneration of 17 to 18 Cornhill, Bury St Edmunds (£1.7 million) and the investment in Western Way Development (£1.5 million). Further details are given in Note 4 Material Items of Income and Expense.

Key strengths and resources

Employees

As at March 2023, West Suffolk Council employed 702 staff, with a voluntary staff turnover rate of 12.03 per cent and an average sickness level of 6.61 days per full time equivalent (FTE) member of staff during 2022 to 2023. The turnover rate is a significant reduction on the previous year, while the metric for sickness level is stable.

West Suffolk Council is committed to investing in all West Suffolk staff, through corporate learning opportunities, bespoke training, individual qualifications and bringing on local school leavers through apprenticeships.

Land and buildings

The value of land and buildings owned by West Suffolk Council (not including plant and equipment) in 2022 to 2023 was £233.9 million.

Fees are charged in association with the use of these assets by third parties – for example, car parking charges, leases of industrial units and rent for office accommodation within our main office buildings (see Note 31 Leases).

Governance

The details on the governance of West Suffolk Council are available in the Annual Governance Statement (accompanying the final accounts) and show how the council has:

- conducted its activities in a lawful way, in accordance with proper governance standards
- put in place arrangements to ensure public money is safeguarded and accounted for being used in an economic, efficient, and effective way
- managed risks to its business
- put in place arrangements to secure continuous improvement in the way in which its functions are exercised, having regards to economic, efficiency and effectiveness.

Progress and achievement

The West Suffolk Council Annual Report 2022 to 2023 covers the period from 1 April 2022 to 31 March 2023. The report highlights the progress and achievements of West Suffolk Council over the past year in achieving our vision and priorities.

This report presents our key accomplishments in a series of infographics that are categorised under the three priorities that we set out in our Strategic Framework 2020 to 2024.

These priorities are focused on growing West Suffolk's economy, fostering resilience in families and communities that are healthy and active and ensuring there is increased and improved provision of appropriate housing in both towns and rural areas.

The report can be found here: [West Suffolk Annual Report](#)

Performance indicators

A range of key performance indicators are reported monthly to the West Suffolk Council leadership team and on a quarterly basis to Portfolio Holders and the Performance, Audit and Scrutiny Committee. As a result of scrutiny of the performance information, further, more in-depth analyses of performance on individual topics are carried out for discussion by officers and members.

The Council's performance information can be accessed here: [How we are doing \(westsuffolk.gov.uk\)](https://www.westsuffolk.gov.uk).

Material events after the reporting date

Note 5 details any material events which occurred after the Balance Sheet date.

Audit arrangements

Following the Government's consultation on the future of local public audit, Ernst and Young LLP were awarded the contract for the audit of West Suffolk Council's accounts for a five year period commencing with the financial year 2018 to 2019.

Looking to the future

West Suffolk Council remains a high performing and ambitious council. While major changes have occurred and been implemented in recent years, with the cost-of-living crisis and changes to local government funding adding additional uncertainty, the council remains financially sound.

West Suffolk Council has continually refined its Medium-Term Financial Strategy in light of these challenges, with a focus on financial sustainability, maintaining the general fund reserve and balancing the new levels of income and expenditure.

The council's flexible and adaptable approach will continue to involve investing in specific projects to support self-sufficiency, maintain essential services and generate wider benefits for communities, as well as investing in social and physical assets and infrastructure to reduce upfront costs.

Certificate of approval for the Statement of Accounts

The Statement of Accounts for the year 1 April 2022 to 31 March 2023 has been prepared and I confirm that these accounts were approved by West Suffolk Council at the meeting held on XXX (to be updated for Audited Accounts).

Signed:

Councillor Peter Armitage

Chair of Performance and Audit Scrutiny Committee

Date:

Statement of responsibilities for the Statement of Accounts

The council's responsibilities

The council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this council that officer is the Chief Financial Officer, who is the Director (Resources and Property)
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

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

In preparing this statement of accounts the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority code.

The Chief Financial Officer has also:

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

Certificate by the Chief Financial Officer (S151 Officer)

I certify that the Statement of Accounts has been prepared in accordance with the proper accounting practices and presents a true and fair view of the financial position of the council as at 31 March 2023 and its income and expenditure for the year then ended.

Signed:

Rachael Mann

Rachael Mann
Chief Financial Officer (Section 151 Officer)

Date: 31 May 2023

Councillor Diane Hind
Portfolio Holder for Resources and Property

Date:

Expenditure and Funding Analysis

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

The status of the EFA is that it is a note to the financial statements and is not a core financial statement. However, in accordance with the requirements of the Code of Practice, it has been given due prominence ahead of the main statements in order to assist users' understanding.

	2022 to 2023			2021 to 2022		
	Net expenditure chargeable to the General Fund	Adjustments between funding and accounting basis (Note 7)	Net expenditure in the Comprehensive Income and Expenditure Statement	Net expenditure chargeable to the General Fund	Adjustments between funding and accounting basis (Note 7)	Net expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000
Resources and Property	(72)	6,566	6,494	(486)	3,614	3,128
Human Resources, Governance and Regulatory	2,582	1,323	3,905	2,734	336	3,070
Families and Communities	4,428	425	4,853	4,019	469	4,488
Planning and Growth	3,083	375	3,458	2,276	986	3,262
Operations	6,612	4,326	10,938	7,163	15,340	22,503
Chief Executive's Team	957	135	1,092	781	286	1,067
Net cost of services	17,590	13,150	30,740	16,487	21,031	37,518
Other income and expenditure	(17,590)	(8,944)	(26,534)	(16,487)	2,529	(13,958)
(Surplus) or deficit on provision of services	0	4,206	4,206	0	23,560	23,560
Opening General Fund balance at 1 April	(6,045)			(4,829)		
Add: deficit on General Fund in the year	570			0		
Add: Budgeted contribution to General Fund	475			(1,216)		
Closing General Fund balance at 31 March	(5,000)			(6,045)		

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2022 to 2023				2021 to 2022			
	Note	Gross expenditure £000	Gross income £000	Net expenditure /(income) £000	Gross Expenditure £000	Gross Income £000	Net Expenditure /(Income) £000
Resources and Property		44,447	37,953	6,494	44,992	41,864	3,128
Human Resources, Governance and Regulatory		9,607	5,702	3,905	7,595	4,525	3,070
Families and Communities		8,222	3,369	4,853	8,552	4,063	4,489
Planning and Growth		6,181	2,723	3,458	5,816	2,554	3,262
Operations		30,966	20,028	10,938	39,790	17,287	22,503
Chief Executive's Team		1,154	62	1,092	1,181	114	1,067
Cost of Services		100,577	69,837	30,740	107,926	70,407	37,519
Other operating expenditure	11	6,161	0	6,161	18,509	0	18,509
Financing and investment income and expenditure	12	2,071	1,997	74	2,275	619	1,656
Taxation and non-specific grant income	13	0	32,769	(32,769)	0	34,124	(34,124)
(Surplus) or deficit on provision of services		108,809	104,603	4,206	128,710	105,150	23,560
Surplus on revaluation of Property, Plant and Equipment assets	22			(1,969)			(16,852)
Actuarial (gains) or losses on pension assets and liabilities	32			(68,329)			(33,526)
Other comprehensive (income) or expenditure				(70,298)			(50,378)
Total comprehensive (income) or expenditure				(66,092)			(26,818)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (in other words those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. The statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase or (decrease) line shows the statutory general fund balance movement in the year following those adjustments.

Prior year movements - 2021 to 2022	Note	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
Balance as at 1 April 2021		59,031	2,678	255	61,964	124,638	186,602
Movements in reserves during 2021 to 2022							
Total comprehensive income and expenditure		(23,560)	0	0	(23,560)	50,378	26,818
Adjustments between accounting basis and funding basis under regulations	9	16,503	3,194	0	19,697	(19,697)	0
Increase or (decrease) in 2021 to 2022		(7,057)	3,194	0	(3,863)	30,681	26,818
Balance as at 31 March 2022 carried forward		51,974	5,872	255	58,101	155,319	213,420

Current year movements - 2022 to 2023	Note	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
Balance as at 1 April 2022		51,974	5,872	255	58,101	155,319	213,420
Movements in reserves during 2022 to 2023							
Total comprehensive income and expenditure		(4,198)	(8)	0	(4,206)	70,298	66,092
Adjustments between accounting basis and funding basis under regulations	9	(778)	2,284	(17)	1,489	(1,489)	0
Increase or (decrease) in 2022 to 2023		(4,976)	2,276	(17)	(2,717)	68,809	66,092
Balance as at 31 March 2023 carried forward		46,998	8,148	238	55,384	224,128	279,512

Balance Sheet

The Balance Sheet on the following page shows the value of the assets and liabilities recognised by the council as at the date of the Balance Sheet.

The net assets of the council (assets less liabilities) are matched by the reserves held by the council.

Reserves are reported in two categories:

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

West Suffolk balance sheet	Note	31 March	31 March
		2023	2022
		£000	£000
Property, plant and equipment	14	261,967	266,878
Heritage assets	15	7,313	7,291
Intangible assets		125	149
Long-term investments	19	1,129	1,164
Long-term debtors	17	3,778	3,307
Long-term assets		274,312	278,789
Short-term investments	19	27,205	47,527
Assets held for sale	16	3,755	476
Inventories		307	250
Short-term debtors	17	16,017	20,355
Cash and cash equivalents	18	21,571	19,314
Current assets		68,855	87,922
Short-term borrowing	19	(2)	(2)
Short-term creditors	20	(43,829)	(59,484)
Provisions	21	(2,137)	(4,628)
Current liabilities		(45,968)	(64,114)
Provisions	21	(419)	(500)
Long-term borrowing	19	(9,755)	(14,000)
Other long-term liabilities	32	0	(63,188)
Grants receipts in advance	28	(7,513)	(11,489)
Long-term liabilities		(17,687)	(89,177)
Net assets		279,512	213,420
Usable reserves		(55,384)	(58,100)
Unusable reserves	22	(224,128)	(155,320)
Total reserves		(279,512)	(213,420)

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Signed: Rachael Mann

Date: 31 May 2023

Chief Financial Officer (Section 151 Officer)

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the council during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (for example borrowing) to the council.

		2022 to 2023	2021 to 2022
	Note	£000	£000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)		4,206	23,560
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	23	11,774	(54,396)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	23	1,529	6,537
Net cash flows from operating activities		17,509	(24,299)
Investing activities	24	(9,943)	37,719
Financing activities	25	(9,823)	(10,084)
Net (increase) or decrease in cash and cash equivalents		(2,257)	3,336
Cash and cash equivalents at the beginning of the reporting period		(19,314)	(22,650)
Cash and cash equivalents at the end of the reporting period	18	(21,571)	(19,314)

Notes to the core financial statements

Note 1 Accounting standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the new or amended standards within the 2023 to 2024 code.

At the Balance Sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the code:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

None of these changes are expected to have a material impact on the council's statements.

Note 2 Critical judgements in applying accounting policies

In applying the accounting policies, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the financial statements are:

- There is a high degree of uncertainty about future levels of funding for local government. This was already the case before the COVID-19 pandemic due to the one year financial settlement for 2020 to 2021 and the Government review into local government funding – the Fair Funding Review. The pandemic resulted in the government issuing additional one year financial settlements for 2021 to 2022, 2022 to 2023 and 2023 to 2024, further delaying the Fair Funding review. However, the council has determined that this uncertainty is not sufficient to indicate that any of its assets might be impaired as a result of a need to close facilities or reduce levels of service provision.
- West Suffolk Council's predecessor authorities entered into contracts with Abbeycroft Leisure for the operation of the leisure centres, the athletics track and the management of bookings in relation to other sports facilities. Abbeycroft Leisure is a company limited by guarantee, with charitable status. The council does not have control of the company and has therefore determined that the company is not a subsidiary of the council (see also Note 29 Related Parties).
- On 25 October 2007, West Suffolk's predecessor authority, St Edmundsbury Borough Council, established a joint committee with Suffolk County Council for the purpose of overseeing the construction and operation of a new joint office building in Bury St Edmunds, West Suffolk House. The council has determined that this joint committee is accounted for as a 'jointly controlled operation'

whereby each authority accounts for its share of costs and assets (see also Note 29 Related Parties).

- On 1 April 2006 the council's predecessor authority, Forest Heath District Council, joined Breckland District Council to set up the Anglia Revenues Partnership (ARP). The partnership was subsequently extended to include East Cambridgeshire, St Edmundsbury, Fenland, Suffolk Coastal and Waveney District Councils with effect from 1 April 2015. From 1 April 2019, Forest Heath and St Edmundsbury were replaced by the newly formed West Suffolk Council, and Suffolk Coastal and Waveney were replaced by East Suffolk Council. The ARP is governed on a joint committee basis, the purpose of which is to provide a shared revenues and benefits service for the member councils. The council has determined that this joint committee is accounted for as a 'jointly controlled operation' whereby each authority accounts for its share of costs and assets (see also Note 29 Related Parties).
- Barley Homes Group Limited is a company set up and wholly owned by the council to build homes for sale and rent. The council has determined that this company is within its group boundary and is a subsidiary of the council. As such, group accounts have been prepared since 2020 to 2021 (see also Note 29 Related Parties and Group Accounts).
- Verse Facilities Management Limited is a joint venture company set up in 2015 between Vertas (a company wholly owned by Suffolk County Council), and West Suffolk Council's predecessor authorities (St Edmundsbury Borough Council and Forest Heath District Council). The shareholding is 60 per cent Vertas and 40 per cent West Suffolk Council. The main business of the company is to provide facilities management and property support services. The council has determined that this company is within its group boundary. However, as the sums involved are immaterial to the council's accounts, group accounts have not been prepared (see also Note 29 Related Parties).
- The council has undertaken a review of the potential outcome of significant legal claims by or against the council, full details of which are Note 33 Contingent Liabilities and Note 34 Contingent Assets.

Note 3 Future assumptions and other major sources of estimation uncertainty

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

The items in the council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, plant and equipment - depreciation

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

It is estimated that the annual depreciation charge for buildings would increase by £0.678 million for every year that useful lives had to be reduced.

Pensions liability

Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.

A firm of consulting actuaries is engaged to provide the council with expert advice about the assumptions to be applied.

The effects on the net pension asset or liability of changes in individual assumptions can be measured.

The fund's actuaries have advised that a 0.1 per cent decrease in the real discount rate assumption would result in a 2 per cent increase in the employer's liability. In monetary terms this equates to around £3.61 million.

A 1 year increase in member life expectancy would result in an additional 4 per cent employer liability totalling approximately £8.69 million.

A 0.1 per cent increase in the pension increase rate would result in an additional 1 per cent employer liability totalling approximately £3.24 million.

Arrears

At 31 March 2023, the council had a sundry debt balance of £19.188 million (£23.750 million at 31 March 2022). A review of an aged debt analysis suggested that an allowance for doubtful debts in 2022 to 2023 of £3.171 million (£3.395 million in 2021 to 2022) would be appropriate. However, factors such as the current economic climate may impact on the actual level of bad debts experienced by the council.

If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £3.171 million to be set aside as an allowance.

Note 4 Material items of income and expense

The code requires disclosure of the nature and amount of any material items of income and expense incurred during the year.

Land and property

During 2022 to 2023 the council spent £1.7 million on the redevelopment of the former Post Office, 17-18 Cornhill, Bury St Edmunds which combines bringing a vacant site back into use with two retail units as well as 12 residential flats whilst also improving the connection between the new shopping area and the old town centre. This site was completed in March 2023 with two flats sold and another nine flats reserved as at 31 March 2023.

The council also spent £1.5 million on the Western Way Development which is a multi-million development that includes new leisure facilities as part of a community hub which delivers integrated public services for our communities. This builds on the success of other community hubs already provided in West Suffolk. This project means that the current leisure centre and pool can be moved within the site to integrate with health services, providing extra parking and new facilities.

Loans to external organisations

Loans totalling £0.7 million were granted to Barley Homes (Group) Limited in 2022 to 2023 from its agreed £14.25 million revolving loan facility with the council. Barley Homes also repaid £3 million of loans back to West Suffolk Council in 2022 to 2023 leaving a £Nil outstanding loan balance as at 31 March 2023. Barley Homes is the council's wholly owned housing delivery company, who in 2021 to 2022 completed development on their first fully policy compliant housing schemes in Haverhill at Westfield, delivering 37 new homes of which 11 were affordable homes. Another site at Castle Hill in Haverhill was completed in 2022 to 2023, with 26 homes being built, of which 8 will be affordable homes.

Vehicle and plant purchases

As part of its ongoing vehicle replacement programme, the council spent £2.1 million on Vehicles and Plant during 2022 to 2023.

Note 5 Events after the balance sheet date

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 31 May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no events since 31 March 2023, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

Note 6 Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022 to 2023 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Nonetheless, the council has carried out an exercise to demonstrate that it is a going concern based on its current and forecast future financial position.

The council has ended 2022 to 2023 in a robust financial position and, therefore, has a strong basis to withstand the challenging times expected in the months and years ahead for local government finances. Alongside setting a balanced budget for both

2023 to 2024 and 2024 to 2025, it reported a better than its in year forecast net overspend position for 2022 to 2023 of £0.57 million.

The key budget drivers that resulted in the £0.57 million deficit were the slower than budgeted recovery of income streams post COVID-19, and other global economic pressures beyond the council's control caused by the war in Ukraine, including higher energy prices and general inflation. However, the global economic pressures also had some positive impacts on the budget, helped by financial decisions previously made by the council. These included increased interest rates on investments, improved dividend payment expected from the council's wholly owned housing company and improved recycling credits as a result of higher commodity prices. In addition, higher utility costs meant renewable measures such as Toggam Solar Farm resulted in a number of higher incomes and reduced costs.

The council's General Fund balance was £6.045 million at the beginning of 2022 to 2023. After taking into account a budgeted COVID-19 provision of £0.475 million, the overspend of £0.57 million has been accommodated by the General Fund, without reducing the balance to less than the council's agreed policy level of £5.0 million.

The council's year end balances, as reported in these statements, remain in a healthy position at the close of 2022 to 2023:

Date	General Fund	Earmarked reserves	Total usable revenue reserves
As at 31 March 2023	£5.0 million	£42.0 million	£47.0 million

Looking ahead, the council set its 2023 to 2024 budget, and its Medium Term Financial Strategy (MTFS) out to 2026 to 2027, in February 2023. At the time of setting the budget, the year-end forecast position for 2022 to 2023 was an overspend of £1.4 million and as a result the expectation was that the General Fund balance would be depleted below £5 million. The 2023 to 2024 budget, therefore, includes a one-off General Fund replenishment provision of £0.83 million. This will now be available to support any further delay in income recovery or increased inflationary pressures beyond those already factored into the 2023 to 2024 budget.

The future of government funding continues to be unclear. The Fair Funding Review and the 75 per cent Business Rate Retention scheme has again been delayed and the government rolled forward a further one year settlement for 2023 to 2024 alongside a set of indicative principles for 2024 to 2025. Due to the uncertainty around this, our MTFS assumes no government support beyond 2024 to 2025 other than Baseline Funding and around half of current local growth in respect of Business Rates under the Business Rates Retention Scheme. As a result of this prudent approach to our medium-term financial planning, there should be no adverse impact due to any further delay, but this will be monitored and reviewed as further details are released by government.

The council has also undertaken cash flow modelling for the next 12 months which demonstrates the council's ability to work within its Capital Financing Requirement and cash management framework, with an authorised boundary for borrowing for capital programme support, as set out in our prudential indicators and as agreed by Council, of £99.7 million (intended to be sourced from the Public Works Loan Board). In addition, the council has access to cash and short term investment balances of £48.8 million as reported in these accounts.

Overall, based on its cash flow forecast, borrowing potential and access to investment funds, as well as the level of general fund and reserve balances it holds, the council determines that it has sufficient liquidity to continue to deliver services for the foreseeable future. The council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the council will be a going concern, 12 months from the date of the approval of these financial statements.

Note 7 Note to expenditure and funding analysis

The note below provides a reconciliation of the main adjustments to net expenditure chargeable to the general fund balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES). The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Current year - 2022 to 2023	Adjustments for Capital Purposes (Note a)	Net change for the Pensions Adjustment (Note b)	Other differences (Note c)	Total adjustments
	£000	£000	£000	£000
Resources and Property	5,165	479	922	6,566
Human Resources, Governance and Regulatory	1,163	460	(300)	1,323
Families and Communities	33	536	(144)	425
Planning and Growth	0	496	(121)	375
Operations	4,179	1,309	(1,162)	4,326
Chief Executive's Team	0	110	25	135
Net cost of services	10,540	3,390	(780)	13,150
Other income and expenditure from the expenditure and funding analysis	(1,094)	1,751	(9,601)	(8,944)
Difference between general fund surplus or deficit and comprehensive income and expenditure statement (CIES) surplus or deficit on the provision of services	9,446	5,141	(10,381)	4,206

Previous year - 2021 to 2022	Adjustments for Capital Purposes (Note a)	Net change for the Pensions Adjustment (Note b)	Other differences (Note c)	Total adjustments
	£000	£000	£000	£000
Resources and Property	2,244	700	670	3,614
Human Resources, Governance and Regulatory	(359)	597	98	336
Families and Communities	(97)	809	(243)	469
Planning and Growth	0	684	302	986
Operations	15,657	1,781	(2,098)	15,340
Chief Executive's Team	0	159	127	286
Net cost of services	17,445	4,730	(1,144)	21,031
Other income and expenditure from the expenditure and funding analysis	6,841	1,849	(6,161)	2,529
Difference between general fund surplus or deficit and comprehensive income and expenditure statement (CIES) surplus or deficit on the provision of services	24,286	6,579	(7,305)	23,560

Note a - Adjustments for capital purposes

This column adds in depreciation and impairment, and revaluation gains and losses, in the services line, and for:

- other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- financing and investment income and expenditure – the statutory charges for capital financing, in other words Minimum Revenue Provision and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions, or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note b – Net change for the pension adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Note c – Other differences

Other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Note 8 Expenditure and income analysed by nature

The council's expenditure and income incurred in the provision of services as shown in the Comprehensive Income and Expenditure Statement is analysed as follows:

		2022 to 2023	2021 to 2022
	Note	£000	£000
Expenditure			
Employee benefits expenses		37,112	36,820
Other services expenses		22,898	23,589
Parish precept payments	11	4,735	4,359
Other third party payments		4,675	3,890
Housing benefit payments		27,354	28,298
Depreciation, amortisation and revaluation	9	10,380	17,434
Interest payable		228	170
(Gain) or loss on the disposal of assets	11	1,427	14,150
Total expenditure		108,809	128,710
Income			
Fees, charges and other service income		(37,341)	(33,494)
Interest and investment income	12	(1,997)	(619)
Income from council tax	13	(15,681)	(15,126)
Income from business rates	13	(12,737)	(8,795)
Grants and contributions		(36,847)	(47,116)
Total income		(104,603)	(105,150)
(Surplus) or deficit on the provision of services		4,206	23,560

Notes

Other third party payments are payments made to external bodies (including Suffolk County Council and Abbeycroft Leisure), in return for the provision of a service.

Note 9 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the council to meet future capital and revenue expenditure. The transactions for the year ended 31 March 2023 are as follows:

Current year - 2022 to 2023	Usable reserves			
	General fund balance	Capital receipts reserve	Capital grants unapplied	Movement in unusable reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account				
Reversals of items debited or credited to the Comprehensive Income and Expenditure Statement				
Charges for Depreciation and Impairment of non-current assets	7,172	0	0	(7,172)
Revaluation gains/losses on Property, Plant and Equipment	3,184	0	0	(3,184)
Amortisation of Intangible Assets	24	0	0	(24)
Capital Grants and Contributions applied	(3,236)	0	0	3,236
Revenue Expenditure funded from Capital under Statute	1,708	0	0	(1,708)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	1,427	2,260	0	(3,687)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement				
Statutory provision for the financing of Capital Investment	(841)	0	0	841
Capital Expenditure charged against the General Fund Balance	(5,453)	0	0	5,453
Adjustments primarily involving the Capital Grants Unapplied Account				
Application of Grants to Capital Financing transferred to the Capital Adjustment Account	0	0	(17)	17

Continued on the following page.

Current year - 2022 to 2023 (continued)	Usable Reserves			
	General fund balance	Capital receipts reserve	Capital grants unapplied	Movement in unusable reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Receipts Reserve				
Use of the Capital Receipts Reserve to finance new Capital Expenditure	0	(2,976)	0	2,976
Transfer to Capital Receipts Reserve upon receipt of capital loan repayments	0	3,000	0	(3,000)
Adjustments primarily involving the Accumulated Absences Adjustment Account				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(81)	0	0	81
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	11,446	0	0	(11,446)
Employer's Pension Contributions and direct payments to pensioners payable in the year	(6,305)	0	0	6,305
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(9,823)	0	0	9,823
Total Adjustments	(778)	2,284	(17)	(1,489)

Prior year - 2021 to 2022	Usable reserves			
	General fund balance	Capital receipts reserve	Capital grants unapplied	Movement in unusable reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account				
Reversals of items debited or credited to the Comprehensive Income and Expenditure Statement				
Charges for Depreciation and Impairment of non-current assets	6,624	0	0	(6,624)
Revaluation losses on Property, Plant and Equipment	10,780	0	0	(10,780)
Amortisation of Intangible Assets	30	0	0	(30)
Capital Grants and Contributions applied	(7,908)	0	0	7,908
Revenue Expenditure funded from Capital under Statute	1,372	0	0	(1,372)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	14,150	1,296	0	(15,446)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement				
Statutory provision for the financing of Capital Investment	(761)	0	0	761
Capital Expenditure charged against the General Fund Balance	(4,304)	0	0	4,304

Continued on the following page.

Prior year - 2021 to 2022 (continued)	Usable Reserves			Movement in unusable reserves £000
	General fund balance £000	Capital receipts reserve £000	Capital grants unapplied £000	
Adjustments primarily involving the Capital Receipts Reserve				
Use of the Capital Receipts Reserve to finance new Capital Expenditure	0	(4,652)	0	4,652
Transfer from Capital Adjustment Account on receipt of capital loan repayment	0	6,550	0	(6,550)
Adjustments primarily involving the Accumulated Absences Adjustment Account				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	25	0	0	(25)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	12,666	0	0	(12,666)
Employer's Pension Contributions and direct payments to pensioners payable in the year	(6,087)	0	0	6,087
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(10,084)	0	0	10,084
Total Adjustments	16,503	3,194	0	(19,697)

Note 10 Transfers to or (from) earmarked reserves

General fund reserves	Balance at 1 April 2021 £000	Transfers out 2021 to 2022 £000	Transfers in 2021 to 2022 £000	Balance at 1 April 2022 £000	Transfers out 2022 to 2023 £000	Transfers in 2022 to 2023 £000	Balance at 31 March 2023 £000
Strategic reserves							
Strategic priorities and MTFS reserve	3,881	(1,663)	1,062	3,280	(972)	1,756	4,064
COVID-19 reserve	482	(1,047)	872	307	(307)	0	0
Investing in our growth agenda reserve	1,068	(274)	0	794	(103)	0	691
BRR pilot place-based reserve	3,058	(911)	0	2,147	(514)	0	1,633
Financial planning reserves							
Invest to save reserve	4,825	(1,032)	609	4,402	(532)	849	4,719
BRR equalisation reserve	25,965	(18,464)	8,331	15,832	(8,714)	1,749	8,867
Housing benefits equalisation reserve	294	(66)	330	558	(21)	45	582
Capital project financing reserve	2,392	0	2,510	4,902	(45)	1,691	6,548
Interest equalisation reserve	865	(878)	13	0	0	0	0
Self insured reserve	408	(34)	20	394	(51)	20	363
Election reserve	167	(12)	61	216	(1)	91	306
Planning reserve	472	(291)	170	351	(232)	187	306
Service delivery reserves							
Computer equipment reserve	219	(344)	301	176	(221)	135	90
Office equipment reserve	271	(35)	76	312	(74)	83	321
Anglia Revenues Partnership reserve	976	(300)	66	742	(5)	11	748

Continued on following page.

General fund reserves continued	Balance at 1 April 2021 £000	Transfers out 2021 to 2022 £000	Transfers in 2021 to 2022 £000	Balance at 1 April 2022 £000	Transfers out 2022 to 2023 £000	Transfers in 2022 to 2023 £000	Balance at 31 March 2023 £000
Vehicle and plant renewal reserve	2,325	(1,868)	994	1,451	(1,883)	1,628	1,196
Waste management reserve	294	(133)	82	243	(199)	128	172
Building repairs reserve	2,358	(2,074)	3,735	4,019	(3,818)	5,337	5,538
Car park development reserve	322	(111)	811	1,022	(720)	641	943
Industrial rent reserve	425	(110)	715	1,030	(438)	0	592
Abbey Gardens donation reserve	39	0	0	39	0	0	39
Newmarket Stallion reserve	21	0	0	21	0	0	21
Homelessness legislation reserve	811	(1,328)	2,069	1,552	(1,313)	1,906	2,145
Section 106 reserves							
Commutated maintenance reserve	1,454	(125)	23	1,352	(151)	160	1,361
Section 106: public service village reserve	80	0	0	80	0	0	80
Section 106 monitoring officer reserve	70	(68)	38	40	(67)	34	7
Section 106 revenue reserve	80	0	0	80	0	0	80
Other reserves							
Museums - Gershom Parkington bequest reserve	580	(6)	13	587	(7)	6	586
Total	54,202	(31,174)	22,901	45,929	(20,388)	16,457	41,998
Net movement in the year				(8,273)			(3,931)

Business rates retention (BRR) equalisation reserve

The government granted COVID-19 business rate reliefs to retail, hospitality and leisure services during both 2020 to 2021 and 2021 to 2022, and compensated councils for these reliefs with a section 31 grant. These reliefs resulted in deficits on the council's share of business rates income for those years in the collection fund, and these deficits had to be repaid by the council, by making a transfer from its general fund, in 2021 to 2022 and 2022 to 2023. Section 31 grant of £16 million was paid to the council's general fund in 2020 to 2021 and a further £7 million in 2021 to 2022 and both sums were set aside in this reserve in order to fund the deficit repayments during 2021 to 2022 and 2022 to 2023.

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

Strategic priorities and medium term financial strategy (MTFS) reserve –

Monies received in respect of the New Homes Bonus grant which have been set aside to support the delivery of the council's strategic priorities and medium term financial strategy. This is being utilised significantly across the MTFS in support of strategic projects.

COVID-19 reserve - has been set up in order to hold monies related to the COVID-19 pandemic. It includes contributions in respect of government grants and utilisation to mitigate the adverse effects on the council's budgets.

Investing in our growth agenda reserve – to support the delivery of the council's growth agenda.

Business rates retention (BRR) pilot place-based reserve – 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.

Invest to save reserve – is used to finance up-front costs of delivering the council's budget delivery plan through savings, income generation and efficiencies initiatives.

Business rates retention (BRR) Equalisation reserve – to neutralise the impact of any year on year fluctuations in growth or reduction of business rate income, under the business rates retention scheme. Contributions to the reserve during 2021 to 2022 include £7 million of Section 31 grant paid to the council to compensate it for lost business rates income as a result of COVID-19 rate reliefs awarded by the government to retail, hospitality and leisure services. The grant was utilised in 2022 to 2023 to fund the repayment by the council of the resultant deficit on the collection fund.

Housing benefit (HB) equalisation reserve – is used to cover year on year adjustments made to the level of subsidy grant received from the Department for Works and Pensions.

Capital project financing reserve – to facilitate the capital financing requirements of the council and to account for fluctuations and timing differences in the expected spend profile and project financing costs. This reserve is also utilised to underwrite feasibility costs for the council in the event projects don't progress to completion.

Interest equalisation reserve – is to mitigate against possible adverse fluctuations in the interest rates received from the council's investments. During 2021 to 2022 the balance was transferred to the capital project financing reserve.

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

Election reserve – monies set aside each year in order to smooth out and finance the cost of local elections.

Planning reserve – is money set aside to finance planning related initiatives.

Computer and telephone equipment reserve – money set aside to purchase computer equipment.

Office equipment reserve – money set aside to purchase significant replacement items of office equipment.

Anglia Revenues Partnership (ARP) reserve – 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.

Vehicle and plant renewal fund – monies set aside each year to fund the vehicle and plant replacement programme.

Waste management reserve – is money set aside for the purchase of replacement bins and equipment used for trade and domestic refuse collection.

Building repairs reserve – money set aside for significant repairs and improvements to public buildings and investment properties, including energy conservation measures.

Car Park Development Reserve - holds monies set aside from parking income which are intended to be utilised on car park improvements and developments.

Industrial rent reserve - is for money set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill.

Abbey Gardens donation reserve – is for the improvement of the Abbey Gardens.

Newmarket stallion reserve - Monies set aside to fund future maintenance cost of the Newmarket stallion statue.

Homelessness legislation reserve – Monies set aside to fund future Homelessness legislation requirements.

Commuted maintenance – is money set aside from developers' contributions to finance the maintenance of open spaces and play areas.

Section 106 agreement – public service village – is to finance the council's share of the expenditure relating to the planning conditions attached to West Suffolk House.

Section 106 monitoring officer reserve – Monies set aside in order to fund the post of monitoring officer in the planning policy service.

Section 106 revenue reserve - Monies received in respect of section 106 agreements held for future revenue spend.

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

Note 11 Other operating expenditure

This note provides further detail regarding the figures shown in respect of 'other operating expenditure' in the Comprehensive Income and Expenditure Statement.

	2022 to 2023	2021 to 2022
	£000	£000
Parish Council precepts	4,735	4,359
(Gains) or losses on the disposal of non-current assets	1,426	14,150
	6,161	18,509

Note 12 Financing and investment income and expenditure

This note provides further detail regarding the figures shown in respect of 'Financing and Investment Income and Expenditure' in the Comprehensive Income and Expenditure Statement. These include interest payable by the council, interest received on loans and investments (both short and long term), and the notional pensions interest cost and expected return on pensions assets as required by IAS19 'Employee Benefits'.

	2022 to 2023	2021 to 2022
	£000	£000
Interest payable and similar charges	413	234
Interest receivable and similar income	(1,996)	(619)
Change in impairment allowance for doubtful debts	(94)	192
Net interest on the net defined benefit liability asset	1,751	1,849
	74	1,656

Note 13 Taxation and non-specific grant income

This note provides further detail regarding the figures shown in respect of 'Taxation and Non-Specific Grant Income' in the Comprehensive Income and Expenditure Statement. This includes the element of council tax collected attributable to the council, the amount of non-domestic rates received from the national distribution under the 50 per cent Business Rate Retention scheme, the amount of Revenue Support Grant received, other non-service related Government grants and New Homes Bonus.

	2022 to 2023	2021 to 2022
	£000	£000
Council tax income	(15,681)	(15,126)
Business rates income and expenditure	(12,737)	(8,795)
Non-ringfenced government grants:		
Revenue Support Grant	(207)	(200)
Rural Services Delivery Grant	(181)	(181)
New Homes Bonus	(1,756)	(1,320)
Lower Tier Services Grant	(207)	(192)
COVID-19 Local Authority Support Grant	0	(872)
COVID-19 Sales, Fees and Charges Compensation	0	(673)
COVID-19 Local Council Tax Support Grant	0	(216)
Services Grant	(312)	0
Capital Grants and contributions	(1,688)	(6,549)
	<u>(32,769)</u>	<u>(34,124)</u>

Note 14 Property, plant and equipment

Movements on balances

This note details the movements during the current year on the non-current assets which have been classified under Property, plant and equipment.

The note below details the movements on balances in the financial year ended 31 March 2023. Further details of the additions for the year can be found in Note 4 Material items of income and expense.

2021 to 2022 - Previous Financial Year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2021	1,077	204,798	20,084	4,358	649	4,854	43,646	279,466
Additions	0	2,282	4,628	0	0	3,448	7,334	17,692
Revaluation increases recognised in the Revaluation Reserve	0	18,449	0	6	0	107	0	18,562
Revaluation (decreases) recognised in the Revaluation Reserve	0	(4,771)	(25)	0	0	0	0	(4,796)
Revaluation increases recognised in the Surplus / Deficit on the Provision of Services	0	1,068	0	0	0	0	0	1,068
Revaluation (decreases) recognised in the Surplus / Deficit on the Provision of Services	0	(12,601)	0	0	0	0	0	(12,601)
Derecognition - disposals	0	(15,587)	(1,132)	0	0	0	0	(16,719)
Assets reclassified between PPE categories	0	44,102	461	0	0	0	(44,563)	0
At 31 March 2022	1,077	237,740	24,016	4,364	649	8,409	6,417	282,672

2021 to 2022 - Previous Financial Year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated Depreciation and Impairment								
At 1 April 2021	(17)	(2,409)	(10,062)	(1,715)	0	(66)	0	(14,269)
Depreciation Charge	(14)	(4,746)	(1,533)	(305)	0	(22)	0	(6,620)
Revaluation gains - depreciation written out to the Revaluation Reserve	0	2,364	0	9	0	0	0	2,373
Revaluation losses - depreciation written out to the Revaluation Reserve	0	686	13	0	0	0	0	699
Revaluation gains - depreciation written out to the Surplus / Deficit on the Provision of Services	0	245	0	0	0	0	0	245
Revaluation losses - depreciation written out to the Surplus / Deficit on the Provision of Services	0	505	0	0	0	0	0	505
Derecognition - disposals	0	164	1,109	0	0	0	0	1,273
At 31 March 2022	(31)	(3,191)	(10,473)	(2,011)	0	(88)	0	(15,794)
<u>Net Book Value</u>								
At 31 March 2022	1,046	234,549	13,543	2,353	649	8,321	6,417	266,878
At 31 March 2021	1,060	202,389	10,022	2,643	649	4,788	43,646	265,197

2022 to 2023 - Current financial year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construction	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2022	1,077	237,740	24,016	4,364	649	8,409	6,417	282,672
Additions	0	3,013	3,746	36	0	0	3,671	10,466
Revaluation increases recognised in the Revaluation Reserve	0	3,708	0	0	328	0	0	4,036
Revaluation (decreases) recognised in the Revaluation Reserve	0	(3,989)	0	0	0	0	0	(3,989)
Revaluation increases recognised in the surplus or deficit on the Provision of Services	0	378	0	0	41	308	0	727
Revaluation (decreases) recognised in the Surplus or Deficit on the Provision of Services	0	(1,413)	0	0	0	0	0	(1,413)
Derecognition - disposals	0	(1,319)	(2,124)	(108)	0	(1,116)	(1,115)	(5,782)
Reclassifications and transfers between PPE categories	0	2,265	1	0	0	(135)	(2,131)	0
Reclassifications and transfers (to) or from Assets Held for Sale	0	0	0	0	0	(656)	(5,037)	(5,693)
At 31 March 2023	1,077	240,383	25,639	4,292	1,018	6,810	1,805	281,024

2022 to 2023 - Current financial year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated Depreciation and Impairment								
At 1 April 2022	(31)	(3,190)	(10,473)	(2,013)	0	(88)	0	(15,795)
Depreciation Charge	(14)	(5,167)	(1,671)	(294)	0	(22)	0	(7,168)
Revaluation gains - depreciation written out to the Revaluation Reserve	0	658	0	0	0	0	0	658
Revaluation losses - depreciation written out to the Revaluation Reserve	0	942	0	0	0	0	0	942
Revaluation gains - depreciation written out to the Surplus or Deficit on the Provision of Services	0	189	0	0	0	0	0	189
Revaluation losses - depreciation written out to the Surplus or Deficit on the Provision of Services	0	16	0	0	0	0	0	16
Derecognition - disposals	0	41	1,859	93	0	108	0	2,101
At 31 March 2023	(45)	(6,511)	(10,285)	(2,214)	0	(2)	0	(19,057)
<u>Net Book Value</u>								
At 31 March 2023	1,032	233,872	15,354	2,078	1,018	6,808	1,805	261,967
At 31 March 2022	1,046	234,550	13,543	2,351	649	8,321	6,417	266,877

Depreciation

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

- Council Dwellings: 50 to 70 years
- Other Land and Buildings: 10 to 80 years
- Vehicles, Plant, Furniture and Equipment: 4 to 85 years
- Infrastructure: 10 to 60 years.

Impairment

Paragraph 4.7.4.2(1) of the code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure.

In 2022 to 2023 The Old Post Office, Bury St Edmunds and commercial units (previously known as the former Post Office, 17-18 Cornhill) were revalued by the council's appointed valuer Wilks, Head and Eve using the Fair Value method. A net revaluation loss of £2.93 million has been reflected in the table above.

Other significant impairments include £2.61 million for the Solar Farm. This valuation was based on the Existing Use Value (EUV) method where we used updated future assumptions around income from Cornwall Insight.

Capital commitments

At 31 March 2023, the council had no significant capital commitments.

Revaluations

The council carries out a rolling programme which ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The valuations for 2022 to 2023 were prepared by Wilks, Head and Eve, 3rd Floor, 55 New Oxford Street, London WC1A 1BS.

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra- structure Assets	Com- munity Assets	Dwellings	Surplus Assets	Assets under Construc- tion	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	665	15,078	1,712	464	0	4,594	1,805	24,318
Valued at fair value as								
31 March 2023	47,959	0	0	554	0	0	0	48,513
31 January 2022	69,878	276	366	0	0	0	0	70,520
31 January 2021	86,847	0	0	0	0	1,917	0	88,764
31 January 2020	4,976	0	0	0	1,032	297	0	6,305
31 January 2019	23,547	0	0	0	0	0	0	23,547
Total Net Book Value	233,872	15,354	2,078	1,018	1,032	6,808	1,805	261,967

Prior year valuations have been completed as at 31 January and a 'Letter of Comfort' has been provided by the Valuer confirming if the value of those assets is materially different as at 31 March. For the year 2022 to 2023 the valuations were completed as at 31 March and therefore a 'Letter of Comfort' has not been provided this year.

Fair value hierarchy

Details of the council's surplus assets and information about the fair value hierarchy as at 31 March are as follows:

Current Year	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair Value as at 31 March 2022
Recurring fair value measurements using:	£000	£000	£000	£000
Development Land	0	6,808	0	6,808
Total	0	6,808	0	6,808

Prior Year	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair Value as at 31 March 2021
Recurring fair value measurements using:	£000	£000	£000	£000
Development Land	0	8,321	0	8,321
Total	0	8,321	0	8,321

There were no transfers between levels during the year.

Valuation techniques used to determine Level 2 fair values

Significant observable inputs - Level 2

The valuation technique applied in respect of all the Fair Value figures was the market approach. The market approach is described in paragraphs B5 and B7 of IFRS13; it uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets.

The inputs to this technique constitute Level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable assets in the same or similar locations at or around the valuation date.

Note 15 Heritage assets

A Heritage Asset is an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Reconciliation of the carrying value of heritage assets held by the council

	Statues and Monu- ments	Arch- aeology	Social History	Fine and Decora- tive Art	Horology	Civic Regalia	Other Heritage Assets	Total Assets
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2021	253	155	71	3,323	2,592	563	322	7,279
Transfers between components	(3)	0	0	0	0	1	2	0
Impairment/revaluation losses/(reversals) recognised in the Revaluation Reserve	0	0	0	(94)	0	0	0	(94)
Revaluation gains recognised in the Revaluation Reserve	0	0	0	110	0	0	0	110
Depreciation	(1)	0	0	0	0	0	(3)	(4)
At 31 March 2022	249	155	71	3,339	2,592	564	321	7,291
At 1 April 2022	249	155	71	3,339	2,592	564	321	7,291
Disposals	0	0	0	(6)	0	0	0	(6)
Revaluation gains recognised in the Revaluation Reserve	0	0	0	32	0	0	0	32
Depreciation	(1)	0	0	0	0	0	(3)	(4)
At 31 March 2023	248	155	71	3,365	2,592	564	318	7,313

Fine and Decorative Art – includes paintings (the most significant of which is a portrait by James Tissot valued at £1.8 million), statues and various decorative art collections, notably antique glass, armorial porcelain, snuff and scent bottles and boxes.

Horology – includes the Gershom Parkington Collection, the Allen Collection of American Clocks, and various clocks by local makers.

Civic Insignia – includes ceremonial items such the maces, sword, chains of office and other ceremonial items.

All the above items are reported in the Balance Sheet at insurance valuations which are based on market values supplied by external valuers with specialist knowledge of these markets. These valuations are subject to review by the council's Heritage Services staff and updated annually.

Additions, disposals and impairment of heritage assets

An adjustment for the painting of Thomas Cullum was made in the year 2022 to 2023 which can be seen in the table above under disposals.

A summary of the valuations for a five year period has been included below for illustrative purposes only.

	2018 to 2019 £000	2019 to 2020 £000	2020 to 2021 £000	2021 to 2022 £000	2022 to 2023 £000
Valuations for illustrative purposes					
Statues and monuments	255	254	253	249	248
Archaeology	0	155	155	155	155
Social History	0	71	71	71	71
Fine and Decorative Art	3,421	3,323	3,323	3,339	3,365
Horology	2,682	2,592	2,592	2,592	2,592
Civic items	563	563	563	564	564
Other heritage assets	64	325	322	321	318
Total Heritage Assets	6,985	7,283	7,279	7,291	7,313

The value of heritage assets that fall below the council's de minimis level of £5,000 is £0.665 million. This does not include any items of archaeological or social history significance as these are not valued.

Note 16 Assets held for sale

	Current 2022 to 2023 £000	2021 to 2022 £000
Balance outstanding at start of year	476	476
Assets transferred into assets held for sale	5,693	0
Revaluation losses	(2,414)	0
Balance outstanding at year End	3,755	476

Note 17 Debtors

Short term debtors

The following table shows the debtors due within one year of the Balance Sheet date, categorised by the type of organisation. The figure stated in the Balance Sheet also takes account of the council's provision for bad debts and payments that have been made in advance at the Balance Sheet date.

	31 March 2023	31 March 2022
	£000	£000
Central Government bodies	1,060	3,583
Other local authorities	5,166	4,046
Housing associations	572	1,174
Council tax or business rate payers and housing benefit debtors	2,535	2,685
Trade debtors	6,071	8,055
Other entities and individuals	613	812
Total short-term debtors	16,017	20,355

Long term debtors

	31 March 2023	31 March 2022
	£000	£000
Other long term loans and mortgages	3,778	3,307
Total long-term debtors	3,778	3,307

Note 18 Cash and cash equivalents

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

	31 March 2023 £000	31 March 2022 £000
Cash held by the council	3	3
Bank current or instant access accounts	21,568	19,311
Total cash and cash equivalents	21,571	19,314

Note 19 Financial instruments

Categories of financial instruments

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

	Long-term 31 March 2023 £000	Current 31 March 2023 £000	Long-term 31 March 2022 £000	Current 31 March 2022 £000
IFRS 9 BASIS				
Investments				
Amortised cost				
Money market loans (long-term and short-term investments)	528	27,205	563	47,527
Equity investments	601	0	601	0
Cash and cash equivalents	0	21,571	0	19,314
Total investments	1,129	48,776	1,164	66,841
Debtors				
Amortised cost	3,778	6,814	3,307	9,847
Total debtors	3,778	6,814	3,307	9,847
Borrowings				
Financial liabilities at amortised cost	9,755	2	14,000	2
Total borrowings	9,755	2	14,000	2
Creditors				
Financial liabilities at amortised cost	7,513	7,396	11,489	6,030
Total creditors	7,513	7,396	11,489	6,030

Income, expense, gains and losses

The following table shows where the income, expense, gains and losses in respect of the council's financial instruments have been included in the Comprehensive Income and Expenditure Statement.

2022 to 2023				2021 to 2022			
	Financial liabilities at amortised cost	Financial assets at amortised cost	Total	Financial liabilities at amortised cost	Financial assets at amortised cost	Total	
	£000	£000	£000	£000	£000	£000	
Interest expense	413	0	413	230	0	230	
Total expense in Surplus or Deficit on the Provision of Services	413	0	413	230	0	230	
Interest income	0	(1,607)	(1,607)	0	(564)	(564)	
Total income in Surplus or Deficit on the Provision of Services	0	(1,607)	(1,607)	0	(564)	(564)	
Net (gains) or loss for the year	413	(1,607)	(1,194)	230	(564)	(334)	

Fair values of assets and liabilities

In these disclosure notes, financial instruments are also required to be shown at fair value. The fair value of the investments is determined by calculating the net present value of future cash flows, which provides an estimate of the value of payments due in the future, in today's terms.

The fair values calculated are as follows:

	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Liabilities held at amortised cost				
Financial liabilities	7,398	7,398	6,032	6,032
Long-term creditors or borrowings	17,291	13,843	25,489	25,907
Total liabilities	24,689	21,241	31,521	31,939
Financial assets held at amortised cost				
Money market loans:				
Short-term investments	27,205	27,085	47,527	47,500
Long-term investments	1,128	1,128	1,163	1,163
Cash and cash equivalents	21,571	21,483	19,314	19,250
Financial assets (debtors)	6,814	6,814	9,847	9,847
Trade and other debtors	3,778	3,778	3,307	3,307
Total assets	60,496	60,288	81,158	81,067

In overall terms, the fair value of the investments is £0.209 million less than the book value at 31 March 2023.

Long term creditors relate to long term loan agreements and grants received in advance. £10 million was entered into on 3 December 2021, as an Equal Instalment of Principal loan with the Public Works Loans Board (PWLb) at a fixed rate of interest. £9.755 million of this remained outstanding on 31 March 2023. Grants received in advance amount to £7.536 million including £0.236 million relating to COVID-19.

Available for sale assets are carried in the Balance Sheet at their fair value. These fair values are based on public price quotations where there is an active market for the instrument.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value. Further details of debtors and creditors are found in Note 16 and Note 19.

Note 20 Creditors

The following table shows the creditors due within one year of the Balance Sheet date, categorised by type:

	31 March 2023	31 March 2022
	£000	£000
Central government bodies	23,459	41,066
Other local authorities	10,112	9,628
Trade creditors	5,167	3,495
Receipts in advance	2,862	2,760
Other entities and individuals	2,229	2,535
Total short-term creditors	43,829	59,484

Note 21 Provisions

The table below shows the movements in the council's provisions during the 2022 to 2023 financial year:

	2022 to 2023		2021 to 2022	
	Long Term Provision £000	Short Term Provision £000	Long Term Provision £000	Short Term Provision £000
Balance as at 1 April	(500)	(4,628)	(475)	(5,851)
(Additional provisions made) or unused amounts reversed in the year	81	2,131	(25)	235
Amounts utilised in the year	0	360	0	988
Balance as at 31st March	(419)	(2,137)	(500)	(4,628)

Long term provisions

The provision of £419,000 relates to accumulated compensated staff absences.

Short term provisions

The provision of £2,137,000 is composed of:

- £199,000 relating to a structural defect claim in respect of a previously owned asset
- £1,938,000 relating to Business Rate Retention Scheme appeals.

The latter is a provision under the system of business rate retention and relates to West Suffolk's share of billing authorities' estimates of the provision required for potential refunds relating to retrospective alterations to the rating list for those appeals that are already lodged with the Valuation Office as at 31 March 2023.

The reduction reflects the removal of the unused element of the provision relating to the 2017 valuation list which came to an end on 31 March 2023 as a result of the 2023 revaluation.

This work has been supported by Wilks Head and Eve LLP, Sixth Floor, Fairgate House, 78 New Oxford Street, London WC1A 1HB.

Note 22 Unusable reserves

The balances on the council's unusable reserves as at 31 March 2023 are as follows:

	31 March 2023	31 March 2022
	£000	£000
Revaluation Reserve	91,737	92,652
Capital Adjustment Account	129,432	132,801
Pensions Reserve	0	(63,188)
Deferred Capital Receipts Reserve	137	137
Collection Fund Adjustment Account	3,241	(6,582)
Accumulated Absences Account	(419)	(500)
Total unusable reserves	224,128	155,320

Revaluation Reserve

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

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

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

	31 March 2023	31 March 2022
	£000	£000
Balance at 1 April	92,652	77,943
Upward revaluation of Assets	5,014	21,042
Upward or (downward) revaluation of assets and impairment losses not charged to the surplus or deficit on the Provision of Services	(3,046)	(4,190)
Surplus on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Service	1,968	16,852
Difference between fair value depreciation and historical cost depreciation	(2,003)	(1,477)
Accumulated gains on assets sold or scrapped	(880)	(666)
Balance at 31 March	91,737	92,652

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the council as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the council. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 9 Adjustments between accounting basis and funding basis under regulations provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

The movements on the Capital Adjustment Account during the current and previous financial years were as follows:

	31 March 2023 £000	31 March 2023 £000	31 March 2022 £000
Balance at 1 April		132,801	153,834
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation and impairment of non-current assets	(7,172)		(6,624)
Revaluation gains or (losses) on Property, Plant and Equipment	(3,184)		(10,780)
Amortisation of Intangible Assets	(24)		(30)
Revenue expenditure funded from capital under statute	(1,708)		(1,372)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(3,687)		(15,446)
		(15,775)	(34,252)
Adjusting amounts written out of the Revaluation Reserve		2,883	2,144
Net written out amount of the cost of non-current assets consumed in the year		(12,892)	(32,108)
Capital Financing applied in the year:			
Use of the Capital Receipts Reserve to finance new capital expenditure	2,976		4,652
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	3,236		7,908
Application of grants to capital financing from the Capital Grants Unapplied Account	17		0
Capital Expenditure charged against the General Fund Balance	5,453		4,304
		11,682	16,864
Minimum Revenue Provision		841	761
Loan Principal Repayments		(3,000)	(6,550)
Balance at 31 March		129,432	132,801

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The balance at 31 March was showing a net pension asset of £16.753 million. However, this has been restricted to the amount of the pension asset ceiling (£0) as calculated by the council's actuary. Further details on the charge for the year are in Note 32 Defined Benefit Pension Scheme.

The movements in the Pensions Reserve were as follows:

	31 March 2023	31 March 2022
	£000	£000
Balance at 1 April	(63,188)	(90,135)
Remeasurements of the net defined benefit liability or (asset)	85,082	33,526
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(11,446)	(12,666)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,305	6,087
Changes in the effect of the pension asset ceiling	(16,753)	0
Balance at 31 March	0	(63,188)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	31 March 2023 £000	31 March 2022 £000
Balance at 1 April	137	137
Balance at 31 March	137	137

Collection Fund Adjustment Account

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

The movements in the Collection Fund Adjustment Account were as follows:

	31 March 2023 £000	31 March 2022 £000
Balance at 1 April	(6,582)	(16,666)
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(255)	730
Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	10,078	9,354
Balance at 31 March	3,241	(6,582)

Accumulated Absences Account

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

	31 March 2023	31 March 2022
	£000	£000
Balance at 1 April	(500)	(475)
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	81	(25)
Balance at 31 March	(419)	(500)

Note 23 Cash flow statement – operating activities

The cash flows for operating activities include the following items:

	2022 to 2023	2021 to 2022
	£000	£000
Interest paid	227	170
Interest received	(1,607)	(564)
Dividends received	(425)	(42)
	(1,805)	(436)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

	2022 to 2023	2021 to 2022
	£000	£000
Depreciation	(7,172)	(6,624)
Amortisation	(24)	(30)
Impairment and upward or (downward) valuations	(3,184)	(10,780)
(Increase) or decrease in revenue creditors	19,566	(11,388)
(Increase) or decrease in provisions	2,572	1,198
Increase or (decrease) in revenue debtors and payments in advance	(3,288)	(16,193)
Increase or (decrease) in inventories	57	66
Movement in pensions liability	(5,141)	(6,579)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised (property, plant and equipment, investment property and intangible assets)	(1,427)	(14,150)
Other non-cash items charged to the net surplus or deficit on the provision of services	9,815	10,084
	11,774	(54,396)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	2022 to 2023	2021 to 2022
	£000	£000
Capital grants credited to surplus or (deficit) on the provision of services	3,236	7,908
Any other items for which the cash effects are investing or financing cash flows	(1,707)	(1,371)
	1,529	6,537

Note 24 Cash flow statement – investing activities

The cash flows for investing activities include the following items:

	2022 to 2023 £000	2021 to 2022 £000
Purchase of property, plant and equipment, investment property and intangible assets	10,675	16,502
Purchase or (sale) of short-term and long-term investments	(14,505)	29,587
Other payments for investing activities	2,908	5,986
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,125)	(595)
Proceeds from short-term and long-term investments	(1,607)	(564)
Other receipts from investing activities	(5,289)	(13,197)
Net cash flows from investing activities	(9,943)	37,719

Note 25 Cash flow statement – financing activities

The cash flows for financing activities include the following items:

	2022 to 2023 £000	2021 to 2022 £000
Billing authorities - council tax and national non-domestic rates adjustments	(9,823)	(10,084)
Net cash flows from financing activities	(9,823)	(10,084)

Note 26 Members allowances

The council paid the following amounts to members of the council during the year.

	2022 to 2023	2021 to 2022
	£000	£000
Allowances	529	528
Expenses	13	7
Total members allowances and expenses	542	535

Further details of the council's Member Allowances scheme, and the schedules of allowances, can be found in the transparency pages on the council's website at:

www.westsuffolk.gov.uk

Note 27 Officers' remuneration

Senior officers' remuneration

The remuneration of those senior officers on the payroll of West Suffolk Council was as follows:

Post	Year	Salaries, fees and allow- ances £	Expense allow- ances £	Benefits in kind £	Pension contrib- ution £	Total £
Chief Executive - Ian Gallin	2022 to 2023	150,905	0	12,109	43,521	206,535
	2021 to 2022	154,117	0	12,109	45,148	211,374
Strategic Director	2022 to 2023	113,661	1,239	0	32,780	147,680
	2021 to 2022	111,736	887	1,400	32,733	146,756
Strategic Director	2022 to 2023	113,661	1,342	0	32,780	147,783
	2021 to 2022	111,736	0	1,880	32,733	146,349
Director HR, Governance and Regulatory	2022 to 2023	93,548	1,239	0	26,979	121,766
	2021 to 2022	91,623	1,239	0	26,841	119,703
Director Families and Communities	2022 to 2023	93,548	1,239	0	26,979	121,766
	2021 to 2022	91,623	1,239	0	26,841	119,703
Director Operations	2022 to 2023	93,548	0	8,231	26,979	128,758
	2021 to 2022	91,623	0	8,231	26,841	126,695
Director Planning and Growth	2022 to 2023	93,548	1,239	0	26,979	121,766
	2021 to 2022	91,623	1,239	0	26,841	119,703
Director Resources and Property (S151 Officer)	2022 to 2023	97,060	1,192	102	28,422	126,776
	2021 to 2022	95,135	1,239	0	28,306	124,680

Chief Executive – the Salaries, fees and allowances figure for 2021 to 2022 includes a backdated amount relating to the financial year 2020 to 2021.

General notes

Expenses allowances include the lump sum payment made in relation to essential car users and the taxable element of mileage allowance payments (where applicable).

Benefits in kind relate predominantly to HMRC's prescribed calculation, which is based on the employee's lease car list price (defined by HMRC) and its CO2 emissions, to create a taxable benefit value for income tax purposes. Benefits in kind values are not paid for by the council or the employee. They are simply a mechanism for calculating the employee's income tax liability. The council operates a cost neutral car leasing scheme.

Pension contribution is the payment made by the council into Suffolk County Council's pension fund, not directly to the employee.

The council has an agreed staff pay policy ([Pay Policy Statement](#)), which sets out how staff pay is determined. It places a particular focus on the remuneration of chief officers and the lowest paid staff, including the relationship between the two.

Remuneration bands – other officers

The council's other employees (those not included in the table above) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions but including termination payments) were paid the following amounts:

Remuneration band	2022 to 2023 Number of employees	2021 to 2022 Number of employees
£50,000 to £54,999	18	17
£55,000 to £59,999	10	5
£60,000 to £64,999	9	14
£65,000 to £69,999	8	1
£70,000 to £74,999	0	2
£85,000 to £89,999	1	0

Two of the postholders in the £55,000 to £59,999 band and one in the £85,000 to £89,999 band (one in the £50,000 to £54,999 band and one in the £70,000 to £74,999 for 2021 to 2022), work for Anglia Revenues Partnership. Whilst they are employed by West Suffolk Council, their salary costs are shared across the five councils who make up the partnership.

Exit packages

Details of exit packages, with total cost per band and total numbers of compulsory and other redundancies or departures, are set out in the table below. This table includes any compensation for loss of office already referred to in the Officers' Remuneration tables above.

Exit package cost band (including special payments)	Number of compulsory redundancies (a)		Number of other departures agreed (b)		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022 to 2023 number	2021 to 2022 number	2022 to 2023 number	2021 to 2022 number	2022 to 2023 number	2021 to 2022 number	2022 to 2023 £	2021 to 2022 £
£0 - £20,000	2	5	1	2	3	7	7,086	96,088
£20,001 - £40,000	2	3	0	0	2	3	51,147	91,290
£40,001 - £60,000	1	1	0	0	1	1	42,994	41,948
Total	5	9	1	2	6	11	101,227	229,326

Note 28 Grant income

The council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

Credited to taxation and non-specific grant income and expenditure:

	2022 to 2023	2021 to 2022
	£000	£000
Revenue Support Grant	207	200
Business Rates - Baseline Funding and Section 31 Grants	11,940	13,897
New Homes Bonus	1,756	1,320
Rural Services Delivery Grant	181	181
Lower Tier Service Grant	207	192
COVID-19 Local Authority Support Grant	0	872
COVID-19 Local Council Tax Support Grant	0	216
COVID-19 Sales, Fees & Charges Compensation	0	673
Services Grant	312	0
Capital Grants and Contributions	1,688	6,549
Total credited to Taxation and Non-specific Grant Income and Expenditure	16,291	24,100

Credited to services:

	2022 to 2023	2021 to 2022
	£000	£000
Revenue grants and contributions:		
Housing Benefits Subsidy	26,779	27,769
Housing Benefits, Business Rates and Council Tax Administration Subsidy	807	808
Homelessness and Rough Sleeping Grants	1,808	1,325
COVID-19 New Burdens Funding	219	334
COVID-19 Protect and Vaccinate Grant	0	139
COVID-19 Job Retention Scheme Grant	0	25
COVID-19 Sales, Fees and Charges (SFC) Compensation	(3)	18
COVID-19 Self Isolation Payments Funding	10	341
COVID-19 Additional Restrictions Funding	0	3,837
COVID-19 Re-opening High Streets Safety Fund	0	163
COVID-19 Clinically Extremely Vulnerable (CEV) Funding	0	35
COVID-19 Other Enforcement Funding	23	18
COVID-19 Suffolk Inclusive Growth Investment Funding	24	40
COVID-19 Contain Outbreak Management Fund	122	96
COVID-19 Health Protection Board Suffolk Outbreak Management Staff Funding	54	287
COVID-19 West Suffolk Alliance Vaccination Role	19	41
COVID-19 HPB Suffolk Outbreak 2022 to 2023	291	0
Other grants and contributions	793	277
Capital grants and contributions:		
S106 grants and other grants	0	68
Disabled Facilities Grant	1,549	1,292
Total credited to services	32,495	36,913

The following COVID-19 grants, included in the above table, are the discretionary elements of funds made available by central government to support local businesses and council taxpayers through the pandemic. They have not been used to support council services. Payments of these grants to businesses and taxpayers have also been reflected in the Comprehensive Income and Expenditure Statement:

- COVID-19 Self Isolation Payments Funding
- COVID-19 Additional Restrictions Funding

The council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that could require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	2022 to 2023	2021 to 2022
	£000	£000
Grants and Contributions Received in Advance		
Growth Area Initiative Grant	966	966
Disabled Facilities Grant	1,396	1,433
Developer Contributions	4,626	4,068
Land Release Fund	260	450
COVID-19 Additional Relief (CARF) Grant	0	3,677
COVID-19 Other grants received in advance	7	427
COVID-19 Local Outbreak Control Plan	196	0
Council Tax Rebate Grant (discretionary fund)	0	270
Other Grants	62	198
Total	7,513	11,489

As part of the COVID-19 response, the government announced a range of grant schemes to support businesses and individuals, to be administered by local billing authorities acting as the government's intermediaries (agents). Under the code, these agency transactions do not go through the Comprehensive Income and Expenditure Statement but are instead reflected as short term creditors in the Balance Sheet. The amounts received and spent during the year, and the balances held by the council at the year-end, are as follows:

	Balance at 1 April 2021	Received in 2021 to 2022	Spent in 2021 to 2022	Balance at 31 March 2022	Received in 2022 to 2023	Spent in 2022 to 2023	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
COVID-19 Agency Grants							
COVID-19 Small Business, Retail, Hospitality and Leisure Grant	10	0	50	60	0	(60)	0
COVID-19 Christmas Support Payments Grant	6	0	(4)	2	0	(2)	0
COVID-19 Self-Isolation Mandatory Grant	28	158	(335)	(149)	150	0	1
COVID-19 Local Restrictions Support Grant	7,305	0	(812)	6,493	0	(6,458)	35
COVID-19 Sport England Leisure Recovery Grant	1	0	0	1	0	(1)	0
COVID-19 Local Welfare Assistance Scheme	250	0	0	250	0	(250)	0
COVID-19 Restart Grant	0	9,996	(10,079)	(82)	80	0	(2)
COVID-19 Omicron Hospitality and Leisure Grant	0	1,740	(1,622)	118	0	0	118
COVID-19 Community Restart Programme Holding Account	0	251	(201)	50	0	(46)	4
Total	7,600	12,145	(13,003)	6,743	230	(6,817)	156

Note 29 Related parties

The council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the council.

Central Government

Central government has effective control over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, provides a significant proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (for example council tax bills, housing benefits). Details on grants received from government departments are set out in Note 13 Taxation and Non Specific Grant Income and Note 28 Grant Income.

Members and senior staff

Members of the council have direct control over its financial and operating policies. The total of members' allowances paid in 2022 to 2023 is shown in Note 26 Members' Allowances.

Councillors are able to serve on outside bodies either as a representative of the council or in a personal capacity. Some of those bodies receive financial support from the council. In all instances financial support was made with proper consideration of councillors' declarations of interest and the relevant councillors did not take part in any discussion or decision relating to the financial support. The bodies on which they serve as a representative of the council are listed below:

- Abbey of St Edmund Heritage Partnership
- Aspal Close Working Group
- Association for Suffolk Museums Management Committee
- Brandon Heritage Centre Trust
- Brandon Remembrance Playing Fields Management Committee
- Brecks Fen Edge and Rivers Landscape Partnership (previously Brecks Partnership and Breaking New Ground Board)
- Dedham Vale and Stour Valley
- District Councils' Network
- East of England Local Government Association
- East West Rail (EWR) Consortium
- George Savage Trust
- Guildhall Feoffment Trust
- Home of Horseracing Trust
- Internal Drainage Board – Burnt Fen
- Internal Drainage Board - Lakenheath
- Internal Drainage Board - Mildenhall
- King Edward VI Grammar School Bury St. Edmunds Foundation
- Local Government Association General Assembly
- Love Newmarket Business Improvement District (BID)
- Mildenhall Community Association
- Mildenhall Dome Joint Management Committee
- Mildenhall Museum Trust
- National Horseracing Museum

- New Anglia Local Enterprise Partnership (LEP) Board
- Newmarket Vision Steering Group
- One Haverhill
- Our Bury St Edmunds (BID4BURY) Board
- Our Greenest County Board (SCC)
- PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee
- Rural Services Network
- Southgate Community Partnership
- St John's Centre Trustees Bury St Edmunds
- Stiff's Alms-houses Charity Trustees, Rougham
- Suffolk County Council – Health and Wellbeing Board
- Suffolk County Council – Health Scrutiny Committee
- Suffolk Flood Management Joint Scrutiny Committee
- Suffolk Joint Emergency Planning Policy Panel
- Suffolk Police and Crime Panel
- Suffolk Waste Partnership
- Suffolk West Citizens Advice Bureau
- Theatre Royal Management Board
- West Stow Anglo-Saxon Village Trust
- Western Suffolk Community Safety Partnership
- West Suffolk Hospital NHS Foundation Trust: Council of Governors

During 2022 to 2023 the council made grant payments totalling £301,181 (2021 to 2022 £306,494) to organisations on which members served. Transactions with Barley Homes (Group) Ltd and Verse Facilities Management Ltd are disclosed separately below.

During 2022 to 2023 there were no transactions of a material nature, to either the council or related third parties, involving members of the council serving in a personal capacity.

For the purpose of this note senior staff have been defined as being members of the Leadership Team, plus those individuals that have a statutory responsibility (Head of Paid Services, S151 Officer and the Monitoring Officer). There are no transactions that require disclosure in relation to these senior staff for the year.

Anglia Revenues Partnership – joint committee

Anglia Revenues Partnership is a group of local authorities working together to provide a shared revenues and benefits service to the residents of partner councils and is governed under a joint committee arrangement. The five partner councils are the districts of Breckland, East Cambridgeshire, East Suffolk, Fenland and West Suffolk.

Each partner authority contributes to the shared costs of joint committee services undertaken on its behalf. The amounts of the council's share of expenditure incurred by the joint committee service are included within the council's Comprehensive Income and Expenditure Account as set out below:

	2022 to 2023	2021 to 2022
	£000	£000
Income and expenditure in respect of related party transactions during the year		
Expenses	3,493	3,063
Income	(1,243)	(784)
	2,250	2,279

Further information regarding the Anglia Revenues Partnership can be found on its website:

www.angliarevenues.gov.uk

Anglia Revenues Partnership Trading Limited

ARP Trading Limited (ARPT) was set up initially in 2006, as a joint venture company, by Forest Heath District Council (a predecessor council of West Suffolk) and Breckland District Council.

In 2016 it was decided to extend the shareholding of ARPT to all of the councils in the ARP Joint Committee and the shareholding agreement was signed off on 25 January 2017 with issued share capital of £1,750 (£250 per council).

However, the decision was subsequently taken to cease trading and the company was made dormant in June 2018.

There is a requirement for the company to prepare dormant accounts each year, but apart from the initial shareholding (£1,750) there are no other transactions.

Abbeycroft Leisure

West Suffolk's predecessor councils, Forest Heath District Council and St Edmundsbury Borough Council, transferred the operations of their leisure centres and athletics track, and the management of the bookings of other sports facilities, to Anglia Community Leisure (on 1 July 2008) and Abbeycroft Leisure (on 1 April 2005). Both Anglia Community Leisure and Abbeycroft Leisure were companies limited by guarantee, with charitable status and run by trustees.

The contracts involved the transfer of leisure centre staff and leasing the leisure centres and athletics track to the Trusts at peppercorn rentals in return for each council paying a management fee to contribute to running costs. The councils each had the power to nominate up to two trustees, as long as the number nominated did not equal or exceed 20 per cent of the total number of trustees.

Both Trusts worked in partnership since February 2013 and subsequently agreed to merge with effect from 1 April 2015. The merged single entity was named Abbeycroft Leisure.

The new board allows for 12 trustees. In light of the continuing development of this organisation and the fact that it operates contracts beyond the local authorities' areas, as well as their own facilities, the automatic right for the councils to appoint board members (or send observers) was removed under the merger.

During 2018 to 2019, the company undertook a further merger with South Suffolk Leisure, again retaining the name Abbeycroft Leisure.

West Suffolk Council continues to pay a management fee agreed annually in advance. The council is consulted on the business plans of Abbeycroft Leisure prior to the agreement of the management fee, amounting to £14,705 in 2022 to 2023 (£108,000 in 2021 to 2022).

During 2020 to 2021 Abbeycroft Leisure's ability to operate was impacted by the pandemic and resulting COVID-19 lockdown restrictions. The council made available a £1 million loan facility to ensure the Trust remained viable and able to reopen as part of West Suffolk's COVID-19 recovery response. The first tranche of £500,000 was drawn down by Abbeycroft during 2022 to 2023. In addition, the council provided Abbeycroft Leisure with a £300,000 COVID-19 support grant.

Abbeycroft Leisure's principal activity is to provide leisure facilities to the local community. Its registered address is Haverhill Leisure Centre, Lordscroft Lane, Haverhill, Suffolk, CB9 0ER.

Copies of Abbeycroft Leisure's audited accounts can be obtained from The Chief Executive at the above address.

Further information regarding Abbeycroft Leisure can be found on its website:

www.acleisure.com

Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk

The council has a statutory agency agreement with Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk to collect council tax on their behalf to meet their precepts. Under this arrangement the council has collected £96.822 million in 2022 to 2023 (£90.473 million in 2021 to 2022). At 31 March 2023 the council held council tax creditors on behalf of Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk, totalling £1.659 million (2021 to 2022 £3.357 million).

The total sums collected for Suffolk County Council, the Office of the Police and Crime Commissioner for Suffolk and West Suffolk Council are shown in the Collection Fund. The Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement show the council tax collected on behalf of the council but excludes the agency transactions.

Suffolk County Council – West Suffolk House Joint Committee

West Suffolk Council and Suffolk County Council have a joint committee for the purpose of overseeing the operation of their shared office building in Bury St Edmunds, West Suffolk House. The agreement between the councils provides for each authority sharing costs on an equal basis. The amounts of the council's share of expenditure incurred by the West Suffolk House Joint Committee are included within the council's Comprehensive Income and Expenditure Statement and Balance Sheet. The council's net contribution to the operational costs of the building during 2022 to 2023 was £0.556 million (£0.452 million 2021 to 2022).

Verse Facilities Management Limited

Verse Facilities Management Limited is a Joint Venture Company set up in 2015 between Vertas (a company wholly owned by Suffolk County Council), and West Suffolk Council's predecessor authorities (St Edmundsbury Borough Council and Forest Heath District Council). The shareholding is 60 per cent Vertas and 40 per cent West Suffolk Council. The main business of the company is to provide facilities management and property support services.

The financial share of the company is split 60:40 between the shareholders. A dividend payment of £38,400 was received by West Suffolk in 2022 to 2023 (£29,760 in 2021 to 2022). This receipt is reflected in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Account.

Group accounts have not been prepared for this entity as the sums involved are immaterial. Instead, the results of the Company are reported through this note to the accounts:

	2022 to 2023 £000	2021 to 2022 £000
Verse Facilities Management Ltd - Results Statement		
Turnover	1,847	1,520
Profit on ordinary activities before taxation	85	142
Net assets	204	192

These transactions and balances are not included within the council's accounts and are the draft company results.

Copies of Verse Facilities Management Ltd.'s accounts may be obtained by contacting them at:

Beacon House, Landmark Business Park, Whitehouse Road, Ipswich IP1 5PB

Barley Homes (Group) Limited

Barley Homes (Group) Limited is a company limited by shares and is wholly owned by West Suffolk Council.

The company, which was incorporated on 15 March 2016, will act commercially, building homes for sale and private rent (including delivering housing schemes in line with Planning Policy).

During March 2021 the company issued ordinary shares amounting to £0.6 million, all of which were purchased by the council.

The council has a revolving loan facility agreement with Barley Homes amounting to £14.25 million. This loan facility, agreed in December 2020, is to be used for the purposes of capital development of housing sites (including land purchase). As at 31 March 2022, the company had a net balance due to the council of £2.3 million. During 2022 to 2023 the company drew down a further £0.7 million but subsequently repaid the full £3.0 million and had no outstanding balance as at 31 March 2023.

As the sums involved are at a material level, group accounts have been prepared since 2020 to 2021 for this entity.

A summary of the key results for the financial year are given in the table below:

	2022 to 2023 £000	2021 to 2022 £000
Barley Homes Group Limited - Results Statement		
Turnover	7,148	9,303
Profit/(Loss) after taxation	961	1,662
Net Assets/(Liabilities)	1,731	1,149

These transactions and balances are not included within the council's single entity accounts, but they are included in the group accounts within these statements and are the draft company results.

Note 30 Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the council, the expenditure results in an increase in the Capital Financing Requirement, a measure of the capital expenditure incurred historically by the council that has yet to be financed.

	2022 to 2023 Purchased assets £000	2021 to 2022 Purchased assets £000
Opening capital financing requirement	55,487	49,404
Capital investment		
Property, plant and equipment	10,466	17,692
Intangible assets	0	29
Revenue expenditure funded from capital under statute	1,691	1,372
Loans and advances treated as capital expenditure	1,200	4,615
Sources of finance		
Capital receipts	(2,976)	(4,652)
Government grants and other contributions	(3,236)	(7,908)
Sums set aside from revenue		
Direct revenue contributions	(5,453)	(4,304)
Loan repayment adjustment	(30)	0
Minimum revenue provision	(841)	(761)
Closing capital financing requirement	56,308	55,487
Explanation of movements in year		
Increase or (decrease) in underlying need to borrowing (supported by government financial assistance)	0	0
Increase or (decrease) in underlying need to borrowing (unsupported by government financial assistance)	821	6,083
	821	6,083

Note 31 Leases

Council as lessee

The council acquired a number of leases as lessee and has undertaken a review to determine whether they are finance or operating leases.

Operating leases

The council has acquired a number of operating leases categorised as follows:

- Car leases – three years
- Land used for cultural services
- Temporary accommodation

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

	2022 to 2023	2021 to 2022
	£000	£000
Not later than one year	132	150
Later than one year and not later than five years	330	379
Later than five years	4,262	4,317
Balance as at 31 March carried forward	4,724	4,846

The council has a sub-lease for part of the Guineas office but there are no minimum sublease payments expected to be paid by the authority.

The minimum lease payments due to Samuel Ward Academy Trust for the land at Newmarket Community Leisure Centre is offset against the management fee paid to Abbeycroft for the usage of the swimming pool.

Council as lessor:

The council leases out various assets and has undertaken a review to determine whether they are Finance or Operating leases.

Finance leases

The Council has one lease that is classified as a finance lease. The Council leases land at Recreation Way, Mildenhall, to Sainsbury's Supermarkets Ltd. The Council's net investment in the lease is a yearly peppercorn rent for 150 years. A lease Premium, however, was received by the Council in respect of this lease in 2009 to 2010.

Operating leases

The council leases out land, property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, leisure centres, tourism services, cultural centres and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses (which are typically three years in length)
- for the purposes of providing land for the development of retail facilities.

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

	2022 to 2023	2021 to 2022
	£000	£000
Not later than one year	4,924	4,950
Later than one year and not later than five years	14,288	13,682
Later than five years	94,401	92,881
Balance as at 31 March carried forward	113,613	111,513

The minimum lease payments receivable does not include rents that are contingent on events taking place after the leases were entered into. There were £513,977 contingent rents receivable in 2022 to 2023 (£456,868 in 2021 to 2022) by the Authority for a percentage of rents received from retail tenants occupying Mildenhall town centre shopping precinct and land used for the Guineas shopping centre at Newmarket.

Note 32 Defined benefit pension schemes

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

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

Further information regarding the Local Government Pension scheme can be obtained from the Suffolk County Council Website:

www.suffolk.gov.uk

More general information in respect of Local Government Pension schemes can be found on the Local Government Employers website:

www.lge.gov.uk

Transactions relating to post-employment benefits

The council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the council is required to make against the council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out to the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2022 to 2023	2021 to 2022
	£000	£000
Comprehensive Income and Expenditure Statement		
Cost of Services		
Service costs comprising:		
Current service cost	9,679	10,754
Past service costs (including curtailments)	16	63
Financing and Investment Income and Expenditure		
Net Interest Expense	1,751	1,849
Total post-employment benefits charged to the surplus or deficit on the provision of services	11,446	12,666
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	8,378	(18,165)
Actuarial (gains) and losses arising on changes in demographic assumptions	(1,972)	(3,526)
Actuarial (gains) and losses arising on changes in financial assumptions	(108,195)	(16,716)
Other (if applicable)	16,707	4,881
Sub-total: Actuarial (gains) and losses	(85,082)	(33,526)
Changes in the effect of limiting the net defined benefit asset to the pension asset ceiling	16,753	0
Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	(56,883)	(20,860)
Movement in Reserves Statement		
Reversal of net credits or (charges) made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the code of practice	(11,446)	(12,666)
Actual amount charged against the General Fund Balance for pensions in the year	(68,329)	(33,526)
Employers' contributions payable to scheme	6,305	6,087

Pension assets and liabilities recognised in the Balance Sheet

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

	2022 to 2023	2021 to 2022
	£000	£000
Present value of the defined benefit obligation	(217,269)	(299,282)
Fair value of plan assets	234,022	236,094
Sub-total	16,753	(63,188)
Effect of the pension asset ceiling (see note below)	(16,753)	0
Net asset/(liability) arising from defined benefit obligation	0	(63,188)

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

	2022 to 2023	2021 to 2022
	£000	£000
Opening fair value of scheme assets	236,094	216,381
Interest income	6,369	4,321
Remeasurement gains or (loss):		
The return on plan assets, excluding the amount included in the net interest expense	(8,378)	18,165
- Other (if applicable)	0	(2,425)
Contributions from employer	6,205	5,977
Contributions from employees into the scheme	1,451	1,362
Contributions in respect of unfunded benefits	100	110
Benefits paid	(7,719)	(7,687)
Unfunded benefits paid	(100)	(110)
Closing fair value of scheme assets	234,022	236,094

Reconciliation of present value of the Scheme Liabilities (Defined Benefit Obligation)

	2022 to 2023	2021 to 2022
	£000	£000
Opening balance at 1 April	299,282	306,516
Current service cost	9,679	10,754
Interest cost	8,120	6,170
Contributions from scheme participants	1,451	1,362
Remeasurement (gains) and losses:		
Actuarial (gains) or losses arising from changes in demographic assumptions	(1,972)	(3,526)
Actuarial (gains) or losses arising from changes in financial assumptions	(108,195)	(16,716)
Other (if applicable)	16,707	2,456
Past service cost	16	63
Benefits paid	(7,719)	(7,687)
Unfunded benefits paid	(100)	(110)
Closing fair value of scheme liabilities	217,269	299,282

Calculation of the pension asset ceiling for 2022 to 2023

Under International Accounting Standard 19 (IAS19) Employee Benefits, if the council's defined benefit obligation becomes an asset, then the amount that can be recognised in the accounts is restricted to the amount of the pension asset ceiling.

The pension asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. This recognises that any asset arising at the date of the balance will most likely lead to a refund to the employer, or reduced contributions for a period of time.

The accounts must recognise the lower of the pension asset ceiling or the net defined benefit asset.

The pension asset ceiling is calculated by working out the difference between the net present value of employer's future service costs and the net present value of future employer's contributions. If the net present value of future service costs is **less** than the net present value of future contributions, then the asset ceiling is set at £0.

	£000
Net present value of employer future service costs over future working lifetime	(27,107)
Net present value of future employer contributions	34,689
Amount by which future contributions exceed future service costs	7,582
Asset ceiling	0
Present value of defined benefit obligation less fair value of plan assets	16,753
Effect of the pension asset ceiling	(16,753)

In order to reduce the overall pension asset to the value of the pension asset ceiling, it is necessary to reflect a charge against the accounts.

This charge appears in the Comprehensive Income and Expenditure Statement, and is included under Other Comprehensive Income and Expenditure in the actuarial (gains) or losses on pension assets and liabilities.

Local Government Pension Scheme assets comprised:

Current year	2022 to 2023	2022 to 2023	2022 to 2023	2022 to 2023
Asset category	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of total assets
	£000	£000	£000	%
Debt securities:				
Corporate bonds (investment grade)	48,622	0	48,622	21%
	48,622	0	48,622	21%
Private equity:				
All	2,025	8,246	10,271	4%
Real estate:				
UK property	18,582	0	18,582	8%
Investment funds and unit trusts:				
Equities	107,921	0	107,921	46%
Bonds	6,928	0	6,928	3%
Hedge funds	8,827	0	8,827	4%
Infrastructure	0	23,070	23,070	10%
Other	0	6,676	6,676	3%
	123,676	29,746	153,422	66%
Cash and cash equivalents:				
All	3,125	0	3,125	1%
Totals	196,030	37,992	234,022	100%

Prior year	2021 to 2022	2021 to 2022	2021 to 2022	2021 to 2022
Asset category	Quoted prices in active markets	Quoted prices not in active markets	Total	Percent-age of Total Assets
	£000	£000	£000	%
Debt securities:				
Corporate bonds (investment grade)	50,149	0	50,149	21%
	50,149	0	50,149	21%
Private equity:				
All	2,701	8,246	10,947	5%
Real estate:				
UK property	20,047	0	20,047	8%
Investment funds and unit trusts:				
Equities	107,337	0	107,337	45%
Bonds	9,188	0	9,188	4%
Hedge funds	11,467	0	11,467	5%
Infrastructure	0	17,724	17,724	8%
Other	0	6,795	6,795	3%
	127,992	24,519	152,511	65%
Cash and cash equivalents:				
All	2,441	0	2,441	1%
Totals	203,330	32,765	236,095	100%

Basis for estimating assets and liabilities

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

The liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Suffolk County Council Fund being based on the latest full valuation of the scheme at 31 March 2022.

The significant assumptions used by the actuary have been:

	2022 to 2023	2021 to 2022
Mortality assumptions:		
Longevity at age 65 for current pensioners:		
- Men	22.1 years	22.0 years
- Women	24.4 years	24.6 years
Longevity at age 65 for future pensioners:		
- Men	23.2 years	22.7 years
- Women	25.1 years	26.2 years
Financial assumptions:		
Rate of increase in pensions	3.0%	3.2%
Rate of increase in salaries	4.0%	4.2%
Rate for discounting scheme liabilities	4.8%	2.7%

Sensitivity analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increase or decreases for men and women.

In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, that is to say on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous reporting period.

Impact on the defined benefit obligation in the scheme	Approximate percentage increase to employer liability	Approximate monetary amount
	%	£000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2%	5,539
1 year increase in member life expectancy	4%	11,830
Rate of increase in pensions (increase or decrease by 0.1%)	1%	4,969

Impact on the council's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The contributions paid by the employer are set by the fund Actuary at each triennial valuation, the most recent formal valuation being 31 March 2022. The next formal triennial valuation is due to be completed on 31 March 2025.

The council anticipates paying £5.568 million expected contributions to the scheme in 2023 to 2024.

The weighted average duration of the defined benefit obligation for scheme members is 17 years for 2022 to 2023.

Note 33 Contingent liabilities

As at 31 March 2023, the council had no material contingent liabilities.

Note 34 Contingent assets

On-going claims against Her Majesty's Revenue and Customs (HMRC) and others for the refund of VAT:

VAT is a complex area of taxation which involves the interpretation of guidance and legislation. At various times HMRC have changed rulings on the treatment of VAT based on the outcome of appeals and changes in legislation. This sometimes results in opportunities for organisations to reclaim overpaid VAT.

A number of long running cases are still proceeding through the court and/or tribunal system which the council has an interest in. Should the courts rule in favour of the taxpayer, there may be further opportunities for the council to pursue claims for overpayment of VAT. Although there has been no change in our position during the current financial year, the quantity and strength of the claims will remain under constant review.

Note 35 Nature and extent of risks arising from financial instruments

Key risks

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

- Credit risk - the possibility that other parties might fail to pay amounts due to the council.
- Liquidity risk - the possibility that the council might not have funds available to meet its commitments to make payments.
- Market risk - the possibility that financial loss might arise for the council as a result of changes in such measures as interest rates and stock market movements.

Overall procedures for managing risk

The council's finance team work actively to minimise the council's exposure to the unpredictability of the financial markets, and to protect the financial resources available to fund services. Risk management is carried out by the finance team under policies approved by the council in the Annual Treasury Management and Investment Strategy. The council provides written principles for overall risk management as well as written policies covering specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

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

This risk is minimised through the council's Annual Treasury Management and Investment Strategy, which requires that deposits are only made with high quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the council's treasury management advisors (Sector Treasury Services) or, for non-rated building societies, subject to their meeting minimum financial criteria (based on asset base size and financial performance). The annual strategy also considers maximum amounts and time limits in respect of each financial institution.

The council's lending criteria for 2022 to 2023 was set out in the Annual Treasury Management and Investment Strategy 2022 to 2023, which was approved by the council in February 2022. The following table shows the credit criteria applicable as at 31 March 2023.

Credit rating		Banks unsecured	Banks secured	Pooled funds
AAA	Amount	£6,000,000	£12,000,000	£12,000,000
	Duration	5 years	20 years	20 years
AA+	Amount	£6,000,000	£12,000,000	£12,000,000
	Duration	5 years	10 years	15 years
AA	Amount	£6,000,000	£10,000,000	£10,000,000
	Duration	4 years	5 years	15 years
AA-	Amount	£6,000,000	£10,000,000	£10,000,000
	Duration	3 years	4 years	10 years
A+	Amount	£6,000,000	£8,000,000	£8,000,000
	Duration	2 years	3 years	5 years
A	Amount	£6,000,000	£8,000,000	£8,000,000
	Duration	13 months	2 years	5 years
A-	Amount	£6,000,000	£6,000,000	£6,000,000
	Duration	6 months	13 months	5 years
NONE	Amount	£6,000,000	Not applicable	£1,000,000
	Duration	6 months		5 years
UK Government	Amount	Unlimited	Not applicable	Not applicable
	Duration	50 years		
Other UK local authorities (based on Arlingclose Rating Formula)	Gold	£12,000,000	Not applicable	Not applicable
	Silver	£10,000,000		
	Bronze	£8,000,000		
	Duration	5 years		
Debt Management Office	Amount	Unlimited	Not applicable	Not applicable
	Duration	Not applicable		

The full Annual Treasury Management and Investment Strategy for 2022 to 2023 is available on the council's website.

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

	Amount at 31 March 2023	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2023	Estimated maximum exposure to default and uncollectability at 31 March 2023	Estimated maximum exposure to default and uncollectability at 31 March 2022
	£000s	%	%	£000s	£000s
	A	B	C	A x C	
Deposit with banks and other financial institutions	48,776	4.100	1.120	546	448

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

Of the £5.205 million total debt outstanding at 31 March 2023, £1.546 million has exceeded its due date for payment. This is due in part to an increase in debt on the council's property portfolio linked to the impact of COVID-19. The council has been supporting businesses affected through payment plans. The debt in excess of due date is analysed by age as follows:

	2022 to 2023	2021 to 2022
	£000	£000
Less than three months	269	422
Three to five months	272	164
Six months to one year	236	276
More than one year	769	715
	1,546	1,577

Liquidity risk

The council manages its liquidity position through the risk management procedures outlined above (that is to say, the setting and approval of prudential indicators and the approval of the Annual Treasury Management and Investment Strategy), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The council's financial plans (set out in the Medium Term Financial Strategy) seek to ensure that sufficient funds are maintained to cover annual expenditure commitments. In the event of an unexpected cash requirement the council has sufficient balances to cover day-to-day cash flow needs. If necessary, the council is able to borrow funds from the money markets and the Public Works Loans Board. There is therefore no significant risk that the council will be unable to raise finance to meet its commitments.

The council maintains a significant debt and investment portfolio. Whilst the cash flow procedures are considered against the re-financing risk procedures, longer term risk to the council relates to managing the exposure to replacing financial instruments as they mature. The risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council's approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash-flow needs.

The maturity analysis of financial liabilities is as follows:

	2022 to 2023	2021 to 2022
	£000	£000
Less than one year	7,396	6,030
Between one and five years	7,538	11,491
More than five years	9,755	14,000
	24,689	31,521

All trade and other payables are due to be paid within one year.

Maturity risk

Maturity risk arises from the possibility that the council may be required to renew a financial instrument on maturity at disadvantageous interest rates or terms. This risk is managed by maintaining a range of financial instruments with different institutions with different durations and maturity dates.

The approved treasury limits for investments placed for more than one year in duration are also a key parameter used to address this risk. As at 31 March 2023, the council had no investments placed for a period of more than one year.

Interest rate risk

Interest rate risk arises from the council's exposure to interest rate fluctuations on both its investments and borrowings. Movements in interest rates have a complex impact on the council. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- Borrowings at fixed rates – the fair value of the borrowing liability will fall
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable or receivable on variable rate borrowings and investments would be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance. At present the council's external borrowings are at fixed rates so they are not affected by changes in interest rates.

The council has a number of strategies for managing interest rate risk. The Annual Treasury Management and Investment Strategy draws together the council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure.

As the council did not have any variable rate investments during 2022 to 2023, there would have been no effect on its interest income had interest rates been either 1 per cent higher or lower.

Price risk

The council invested £0.600 million in equity shares in Barley Homes Group Ltd, its wholly owned housing delivery company in 2020 to 2021.

The council also has other historic shareholdings to the value of £0.528 million making its total shareholdings value £1.128 million.

The council is consequently exposed to losses arising from movements in the prices of the shares.

As a general guide a 5 per cent movement (positive or negative) in the value of these shares would result in a £0.056 million gain or loss.

Foreign exchange risk

The council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Note 36 Trust funds

The council acts as trustee for the two trust funds shown below. These do not represent assets of the council and as such they have been included as debtors in the Balance Sheet.

	Balance at 31 March 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
West Stow Anglo-Saxon Village Trust	11,467	21	(1,844)	9,644
94th Bomb Group Memorial Association	16,269	27	0	16,296
Totals	27,736	48	(1,844)	25,940

There are no formal investments for the trust funds, but notional interest is credited from the General Fund, based on the budgeted average rate of interest earned on the council's own investments of 0.166 per cent. This amounted to:

	Interest income 2022 to 2023	Interest income 2021 to 2022
	£	£
West Stow Anglo-Saxon Village Trust	21	14
94th Bomb Group Memorial Association	27	28
Totals	48	42

West Stow Anglo Saxon Village Trust

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

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

94th Bomb Group Memorial Association Fund

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

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

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

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

Note 37 External audit costs

The council has incurred the following costs in relation to the audit of the Statement of Accounts:

	2022 to 2023	2021 to 2022
	£000	£000
Fees payable to Ernst & Young LLP with regard to external audit services carried out by the appointed auditor for the year	118	68
Fees payable for the certification of grant claims and returns for the year	48	25
Total External Audit Costs	166	93

Collection Fund and notes

Collection Fund Comprehensive Income and Expenditure Statement

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

	2022 to 2023			2021 to 2022		
	Council Tax £000	NNDR £000	Total £000	Council Tax £000	NNDR £000	Total £000
Income receivable						
Council Tax receivable	(114,601)	0	(114,601)	(109,359)	0	(109,359)
National Non-Domestic Rates receivable	0	(70,950)	(70,950)	0	(57,701)	(57,701)
Transitional protection (receivable) or payable	0	116	116	0	334	334
	(114,601)	(70,834)	(185,435)	(109,359)	(57,367)	(166,726)
Repayment of previous years surplus or (deficit)						
West Suffolk Council	459	(5,696)	(5,237)	(40)	(15,920)	(15,960)
Suffolk County Council	2,458	(1,424)	1,034	(212)	(3,980)	(4,192)
Office of the Police and Crime Commissioner for Suffolk	419	0	419	(35)	0	(35)
Central Government	0	(7,119)	(7,119)	0	(19,900)	(19,900)
	3,336	(14,239)	(10,903)	(287)	(39,800)	(40,087)
Precepts						
West Suffolk Council	15,476	25,992	41,468	14,436	29,152	43,588
Central Government	0	32,490	32,490	0	36,440	36,440
Suffolk County Council	82,603	6,498	89,101	77,319	7,288	84,607
Office of the Police and Crime Commissioner for Suffolk	14,218	0	14,218	13,154	0	13,154
	112,297	64,980	177,277	104,909	72,880	177,789
Charges to the Collection Fund						
Write-off of uncollectable amounts	678	301	979	520	190	710
Increase or (decrease) in bad debts provision	140	(28)	112	(1,074)	(2)	(1,076)
Increase or (decrease) in appeals provision	0	(6,228)	(6,228)	0	(3,060)	(3,060)
Cost of collection	0	249	249	0	245	245
Renewable energy income retained by council	0	597	597	0	581	581
Enterprise zone income retained by council	0	1,396	1,396	0	852	852
	818	(3,713)	(2,895)	(554)	(1,194)	(1,748)
(Surplus) or deficit for the year	1,850	(23,806)	(21,956)	(5,291)	(25,481)	(30,772)
Fund balance as at 1 April	(4,522)	17,426	12,904	769	42,907	43,676
(Surplus) or deficit carried forward	(2,672)	(6,380)	(9,052)	(4,522)	17,426	12,904

Notes to the Collection Fund Comprehensive Income and Expenditure Statement

Note CF1 Council Tax base

The Council Tax base table below shows the number of chargeable dwellings in each valuation band, expressed as band D equivalents. The total Council Tax income required to balance the Collection Fund can be calculated by multiplying the net tax base by the Council Tax at band D.

Tax Band	Property value	Equivalent numbers	Band D equivalent
Band A	up to £40,000	9,999	4,930
Band B	between £40,001 and £52,000	24,516	16,771
Band C	between £52,001 and £68,000	14,193	11,878
Band D	between £68,001 and £88,000	9,890	9,543
Band E	between £88,001 and £120,000	5,945	7,100
Band F	between £120,001 and £160,000	2,633	3,731
Band G	between £160,001 and £320,000	1,907	3,131
Band H	over £320,000	163	322
Council Tax base		69,246	57,406

The net amount payable by the council taxpayers is calculated by multiplying the number of dwellings in each band by the relevant Council Tax charge to give the gross amount and then making adjustments for discounts and so on.

The average total band D Council Tax for the year was £1,956.19.

Note CF2 Business rates

NNDR (also known as 'business rates') are currently set on a national basis. The Government specifies amounts, 51.2p in 2022 to 2023 and 49.9p for small businesses in 2022 to 2023 and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying the rateable value of the business premises by the relevant amount.

The council is responsible for collecting rates due from the ratepayers in its area and, prior to 1 April 2013, paid the proceeds into an NNDR pool administered by the Government. On 1 April 2013 the Government introduced a new local government funding regime, the Business Rates Retention Scheme. This removed the national pool and instead allows councils to retain a set proportion of business rates collected (reflected as a precept) subject to set baselines and limits. The remainder of business rates collected are paid as precepts to the Government and Suffolk County Council. The new system also allows for pooling arrangements whereby a larger proportion of business rates collected are retained locally. West Suffolk is a member of the Suffolk Business Rate Pool.

The total non-domestic rateable value for the council's area at 31st March 2023 was £185,717,553.

Note CF3 Precepts and demands

The major preceptors on the Collection Fund are shown in the table below:

	2022 to 2023 Precept/ Demand £000	Share of balance 31 March 2023 £000	2022 to 2023 Total £000	2021 to 2022 Total £000
Council Tax				
Suffolk County Council	82,603	(1,963)	80,640	73,988
Office of the Police and Crime Commissioner for Suffolk	14,218	(340)	13,878	12,585
West Suffolk Council	15,476	(369)	15,107	13,814
	112,297	(2,672)	109,625	100,387
NNDR				
Suffolk County Council	6,498	(639)	5,859	9,030
Central Government	32,490	(3,186)	29,304	45,157
West Suffolk Council	25,992	(2,555)	23,437	36,119
	64,980	(6,380)	58,600	90,306

Group accounts

Introduction

The CIPFA Code of Practice requires that where a council has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these statements is to give an overall picture of the council's financial activities and the resources employed in carrying out those activities.

The council wholly owns Barley Homes Group Ltd, and as a subsidiary entity it has been consolidated on a line by line basis with all intra-group transactions and balances removed.

Note 28 Related Parties gives further details of Barley Homes Group Ltd, as well as disclosing the council's interest in other companies and entities.

The company's website can be accessed by following this link: [Barley Homes Group Ltd](#)

Group Comprehensive Income and Expenditure Account

This statement consolidates the accounting cost to the council's group in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	2022 to 2023			2021 to 2022		
	Gross expenditure	Gross income	Net expenditure / (income)	Gross Expenditure	Gross Income	Net Expenditure / (Income)
	£000	£000	£000	£000	£000	£000
Resources and Property	44,447	37,917	6,530	44,992	41,828	3,164
Human Resources, Governance and Regulatory	9,607	5,702	3,905	7,595	4,525	3,070
Families and Communities	8,222	3,365	4,857	8,551	4,059	4,492
Planning and Growth	12,021	9,800	2,221	12,927	11,814	1,113
Operations	30,966	20,028	10,938	39,790	17,284	22,506
Chief Executive's Team	1,154	56	1,098	1,181	108	1,073
Cost of Services	106,417	76,868	29,549	115,036	79,618	35,418
Other operating expenditure	6,161	0	6,161	18,509	0	18,509
Financing and investment income and expenditure	2,071	1,612	459	2,275	310	1,965
Taxation and non-specific grant income	0	32,769	(32,769)	0	34,124	(34,124)
(Surplus) or deficit on provision of services	114,649	111,249	3,400	135,820	114,052	21,768
Tax expenses of subsidiaries			226			129
(Surplus) or deficit of Group			3,626			21,897
Surplus on revaluation of Property, Plant and Equipment assets			(1,969)			(16,852)
Actuarial (gains) or losses on pension assets and liabilities			(68,329)			(33,526)
Other comprehensive (income) or expenditure			(70,298)			(50,378)
Total comprehensive (income) or expenditure			(66,672)			(28,481)

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the council's group, analysed into 'usable reserves' (in other words those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves.

The statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase or (decrease) line shows the statutory general fund balance movement in the year following those adjustments.

Prior year movements - 2021 to 2022	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's share of subsidiary reserves	Total Reserves (including Group)
	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2021	59,031	2,678	255	61,964	124,638	186,602	(1,113)	185,489
Movements in reserves during 2021 to 2022								
Total comprehensive income and expenditure	(21,897)	0	0	(21,897)	50,378	28,481	0	28,481
Adjustment between group accounts and council accounts	(1,663)	0	0	(1,663)	0	(1,663)	1,663	0
Net increase or decrease before transfers (Group accounts)	(23,560)	0	0	(23,560)	50,378	26,818	1,663	28,481
Adjustments between accounting basis and funding basis under regulations	16,503	3,194	0	19,697	(19,697)	0	0	0
Increase or (decrease) in 31 March 2023	(7,057)	3,194	0	(3,863)	30,681	26,818	1,663	28,481
Balance as at 31 March 2022 carried forward	51,974	5,872	255	58,101	155,319	213,420	550	213,970

Current year movements - 2022 to 2023	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's share of subsidiary reserves	Total Reserves (including Group)
	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2022	51,974	5,872	255	58,101	155,319	213,420	550	213,970
Movements in reserves during 2022 to 2023								
Total comprehensive income and expenditure	(3,618)	(8)	0	(3,626)	70,298	66,672	0	66,672
Adjustment between group accounts and council accounts	(580)	0	0	(580)	0	(580)	580	0
Net increase or decrease before transfers (Group accounts)	(4,198)	(8)	0	(4,206)	70,298	66,092	580	66,672
Adjustments between accounting basis and funding basis under regulations	(778)	2,284	(17)	1,489	(1,489)	0	0	0
Increase or (decrease) in 2022 to 2023	(4,976)	2,276	(17)	(2,717)	68,809	66,092	580	66,672
Balance as at 31 March 2023 carried forward	46,998	8,148	238	55,384	224,128	279,512	1,130	280,642

Group Balance Sheet

The Balance Sheet below shows the value of the assets and liabilities recognised by the council's group as at the date of the Balance Sheet. The net assets of the council (assets less liabilities) are matched by the reserves held by the council's group.

West Suffolk group balance sheet	31 March 2023	31 March 2022
	£000	£000
Property, plant and equipment	261,967	266,878
Heritage assets	7,313	7,291
Intangible assets	125	149
Long-term investments	529	564
Long-term debtors	3,894	3,307
Long-term assets	273,828	278,189
Short-term investments	27,205	47,527
Assets held for sale	3,755	476
Inventories	1,157	4,652
Short-term debtors	16,461	18,263
Cash and cash equivalents	22,620	19,353
Current assets	71,198	90,271
Short-term borrowing	(2)	(2)
Short-term creditors	(44,444)	(60,406)
Provisions	(2,137)	(4,628)
Current liabilities	(46,583)	(65,036)
Provisions	(419)	(500)
Long-term borrowing	(9,755)	(14,000)
Other Long-term liabilities	(114)	(63,465)
Grants receipts in advance	(7,513)	(11,489)
Long-term liabilities	(17,801)	(89,454)
Net assets	280,642	213,970
Usable reserves	(56,514)	(58,650)
Unusable reserves	(224,128)	(155,320)
Total reserves	(280,642)	(213,970)

I certify that the group statement of accounts gives a true and fair view of the group financial position of the authority at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Signed: Rachael Mann
Chief Financial Officer (Section 151 Officer)

Date: 31 May 2023

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the council's group during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

	2022 to 2023	2021 to 2022
	£000	£000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	3,626	21,897
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	12,597	(54,020)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	1,528	6,537
Net cash flows from operating activities	17,751	(25,586)
Investing activities	(10,815)	39,058
Financing activities	(10,203)	(10,084)
Net (increase) or decrease in cash and cash equivalents	(3,267)	3,388
Cash and cash equivalents at the beginning of the reporting period	(19,353)	(22,742)
Cash and cash equivalents at the end of the reporting period	(22,620)	(19,353)

Notes to the Group Statement of Accounts

The following notes are specific to the group accounts and only include line items where the group outcome is different to the disclosure in the council's single entity accounts. Explanations are given for material items only.

Note G1 Reconciliation between Single Entity and Group Comprehensive Income and Expenditure Statements

Those line items that have changed between the council's single entity accounts and group accounts are set out below:

Current year - 2022 to 2023	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Resources and Property	6,494	0	36	6,530
Families and Communities	4,853	0	4	4,857
Planning and Growth	3,458	(1,191)	(46)	2,221
Chief Executive's Team	1,092	0	6	1,098
Cost of Services	30,740	(1,191)	0	29,549
Financing and investment income and expenditure	74	5	380	459
(Surplus) or deficit on provision of services	4,206	(1,186)	380	3,400
Tax expenses of subsidiaries	0	226	0	226
(Surplus) or deficit of Group	4,206	(960)	380	3,626
Total comprehensive (income) or expenditure	(66,092)	(960)	380	(66,672)

Prior year - 2021 to 2022	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Resources and Property	3,128	0	36	3,164
Families and Communities	4,489	0	3	4,492
Planning and Growth	3,262	(2,101)	(48)	1,113
Operations	22,503	0	3	22,506
Chief Executive's Team	1,067	0	6	1,073
Cost of Services	37,519	(2,101)	0	35,418
Financing and investment income and expenditure	1,656	309	0	1,965
(Surplus) or deficit on provision of services	23,560	(1,792)	0	21,768
Tax expenses of subsidiaries	0	129	0	129
(Surplus) or deficit of Group	23,560	(1,663)	0	21,897
Total comprehensive (income) or expenditure	(26,818)	(1,663)	0	(28,481)

Planning and Growth

The subsidiary figure for 2022 to 2023 includes property sales amounting to £7.1 million (£9.3 million 2021 to 2022).

Financing and investment income and expenditure

This includes a dividend payment of £380,000 made by the company to the council in 2022 to 2023. This dividend payment, which is reflected in the council's single entity accounts, has been eliminated from the group accounts.

Tax expenses of subsidiaries

Barley Homes Group Ltd was liable to corporation tax of £226,000 in 2022 to 2023 (£129,000 in 2021 to 2022).

Note G2 Reconciliation between Single Entity and Group Balance Sheets

Those line items that have changed between the council's single entity accounts and group accounts are set out below:

Current year - 2022 to 2023	Council Single Entity	Subsidiary	Intra-group Transactions	Group Results
	£000	£000	£000	£000
Long-term investments	1,129	0	(600)	529
Long-term debtors	3,778	116	0	3,894
Long-term assets	274,312	116	(600)	273,828
Inventories	307	850	0	1,157
Short-term debtors	16,017	257	187	16,461
Cash and cash equivalents	21,571	1,049	0	22,620
Current assets	68,855	2,156	187	71,198
Short-term creditors	(43,829)	(428)	(187)	(44,444)
Current liabilities	(45,968)	(428)	(187)	(46,583)
Other Long-term liabilities	0	(114)	0	(114)
Long-term liabilities	(17,687)	(114)	0	(17,801)
Net assets	279,512	1,730	(600)	280,642
Usable reserves	(55,384)	(1,730)	600	(56,514)
Total reserves	(279,512)	(1,730)	600	(280,642)

Prior year - 2021 to 2022	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Long-term investments	1,164	0	(600)	564
Long-term assets	278,789	0	(600)	278,189
Inventories	250	4,402	0	4,652
Short-term debtors	20,355	167	(2,259)	18,263
Cash and cash equivalents	19,314	38	1	19,353
Current assets	87,922	4,607	(2,258)	90,271
Short-term borrowing	(2)	(2,300)	2,300	(2)
Short-term creditors	(59,484)	(880)	(42)	(60,406)
Current liabilities	(64,114)	(3,180)	2,258	(65,036)
Other Long-term liabilities	(63,188)	(277)	0	(63,465)
Long-term liabilities	(89,177)	(277)	0	(89,454)
Net assets	213,420	1,150	(600)	213,970
Usable reserves	(58,100)	(1,150)	600	(58,650)
Total reserves	(213,420)	(1,150)	600	(213,970)

Long-term investments and usable reserves

During March 2021 the company issued ordinary shares amounting to £600,000 all of which were purchased by the council. The council's investment and the company's share capital reserve have been eliminated from the group Balance Sheet.

Inventories

Inventories reflects the housing company's work in progress at the end of the period.

Note G3 Reconciliation between Single Entity and Group Cash Flow Statements

Those line items that have changed between the council's single entity accounts and group accounts are set out below:

Current year - 2022 to 2023	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	4,206	(960)	380	3,626
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	11,774	821	0	12,595
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	1,529	2,300	(2,300)	1,529
Net cash flows from operating activities	17,509	2,161	(1,920)	17,750
Investing activities	(9,943)	(3,552)	2,680	(10,815)
Financing activities	(9,823)	0	(380)	(10,203)
Net (increase) or decrease in cash and cash equivalents	(2,257)	(1,391)	380	(3,268)
Cash and cash equivalents at the beginning of the reporting period	(19,314)	(38)	0	(19,352)
Cash and cash equivalents at the end of the reporting period	(21,571)	(1,429)	380	(22,620)

Prior year - 2021 to 2022	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	23,560	(1,662)	0	21,898
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(54,396)	375	0	(54,021)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	6,537	2,950	(2,950)	6,537
Net cash flows from operating activities	(24,299)	1,663	(2,950)	(25,586)
Investing activities	37,719	(1,610)	2,950	39,059
Net (increase) or decrease in cash and cash equivalents	3,336	53	0	3,389
Cash and cash equivalents at the beginning of the reporting period	(22,650)	(92)	0	(22,742)
Cash and cash equivalents at the end of the reporting period	(19,314)	(39)	0	(19,353)

Accounting policies

General principles

The Statement of Accounts summarises the council's transactions for the 2022 to 2023 financial year and its position at the year-end of 31 March 2023. The council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2022 to 2023, supported by International Financial Reporting Standards (IFRS).

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

Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the council is acting as an agent for another party (for example in the collection of NNDR and council tax), income and expenditure are recognised only to the extent that commission is receivable by the council for the agency services rendered or the council incurs expenses directly on its own behalf in rendering the services.

Deferred income

Where the council has received income in respect of goods, services or lease obligations which have not yet been delivered, these sums will be classified as deferred income and held in the Balance Sheet as a long-term liability. These sums will subsequently be recognised in the relevant areas of the accounts when the goods or services have been received or the obligations have been met.

Cash and cash equivalents

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

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

Costs of disposals

Costs of disposal are incremental costs directly attributable to the disposal of an asset. The statutory arrangements for capital receipts permit costs of disposals to be financed from the receipts generated from sales. This is capped at 4% of the capital receipt.

Where the council has had costs of sale in relation to disposal of assets, these costs will be charged initially to revenue with a transfer then taking place from the capital receipts reserve to offset these costs.

Exceptional items

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Charges to revenue for non-current assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service

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

The council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Accounting for council tax and non-domestic rates (NDR)

Billing authorities act as agents, collecting council tax and (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense in the year in which employees render service to the council. The council's annual leave policy is that a maximum of 5 days is permissible to be carried forward into the following year. An annual exercise is carried out to quantify any potential accrual for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. This accrual is calculated taking the budgeted average salary rates applicable in the following accounting year, being the period which the employee takes the benefit. Where the value of this accrual is material in total, the accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Account when the council is demonstrably committed to either terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Employees of the council are members of the Local Government Pensions Scheme, administered by Suffolk County Council. The scheme provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the council.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Suffolk County Council pension fund attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices. The rate employed for the accounts is the yield available on long dated, high quality corporate bonds, as measured by the Hymans Robertson corporate bond yield curve, which is constructed based on the constituents of the iBoxx AA corporate bond index.
- The assets of the Suffolk County Council pension fund attributable to the council are included in the Balance Sheet at their fair value:
 - quoted securities - current bid price
 - unquoted securities - professional estimate
 - unitised securities - current bid price
 - property - market value.
- The change in the net pensions' liability is analysed into seven components:
 - current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the

Comprehensive Income and Expenditure Statement as part of Non Distributed Costs

- interest cost - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- expected return on assets - the annual investment return on the fund assets attributable to the council, based on an average of the expected long-term return - credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- gains or losses on settlements and curtailments - the result of actions to relieve the council of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
- actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve
- contributions paid to the Suffolk County Council pension fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary benefits

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

Events after the reporting period

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

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

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

Financial instruments - financial liabilities

Financial liabilities are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial instruments - financial assets

From 1 April 2018 Financial Assets are classified into three categories based on the cash flows and business model objectives under which they are held due to the introduction of IFRS 9:

- Amortised Cost – Held in order to collect contractual cash flows
- Fair Value Through Other Comprehensive Income (FVTOCI) – held for both collecting contractual cash flows and selling financial assets
- Fair Value Through Profit and Loss (FVTPL) – All other combinations of business model and contractual cash flows

These replace the categories 'loans and receivables', 'fair value through profit and loss' and 'assets held for sale' under previous accounting standard (IAS 39).

The tests for classification are as follows:

Solely Payments of Principle and Interest

If the financial asset meets the criteria of being held solely for interest generation and repayment of principle, then it moves onto the business model test (below) for classification. If this criterion is not met the financial asset will be classified as FVTPL by default.

Business model

Business Model	IFRS 9 Classification
The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows	Amortised Cost
The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets	Fair Value Through Other Comprehensive Income (FVTOCI)
Achieve objectives by any other means than collecting contractual cash flows	Fair Value Through Profit and Loss (FVTPL)

Designating

After initial recognition an asset may be designated to FVTOCI if it is an equity instrument which is not held for trading.

It is also possible to designate to FVTPL if it 'significantly reduces and accounting mismatch' but unlike FVTOCI designation this must be carried out on initial recognition, however both designations are irrevocable.

In the unlikely event that designation occurs separate disclosures will be produced.

IFRS 9 Classification – Accounting Treatment

Amortised cost

Financial assets classified as held at amortised cost are shown as such in the Balance Sheet.

Movements in amortised cost debited or credited to the Surplus or Deficit on the Provision of Services of the Comprehensive Income and Expenditure Statement. Interest is credited here using the effective interest method as well as impairment allowance debits and credits. Fair value movements are not recognised until derecognition or reclassification.

FVTOCI

Not designated:

Financial assets classified as FVTOCI are held at Fair Value in the Balance Sheet. Interest is credited to the Surplus or Deficit on the provision of services at the effective rate. Impairment allowances are credited or debited to Surplus or Deficit on the provision of services, but the compensating entry is coded to Other Comprehensive Income and Expenditure (OCI) not the asset carrying amount. Fair value changes are posted to the OCI. Cumulative gains or losses are posted to the Surplus or Deficit on the Provision of Services on derecognition.

Designated:

Financial instruments designated as FVTOCI are accounted for as above with the exception of gains and losses on derecognition being applied directly to the OCI.

FVTPL

These financial assets are held at Fair Value in the Balance Sheet. All gains and losses are posted directly to the Surplus or Deficit on the Provision of Services as they arise.

Impairment

Financial assets held as amortised cost or FVTOCI are within the scope of impairment under IFRS 9 with the exception of UK government instruments and inter authority lending. Equity instruments designated to FVTOCI are also excluded.

IFRS 9 introduces the expected loss model of calculating impairment of financial assets. Assets will be assessed for impairment annually and any material impairments will be coded appropriately to the statement of accounts. The authority will use various sources to calculate expected losses including appointed advisors, historical experience, and credit scores.

An impairment loss will arise where the contractual cash flows exceed the expected cash flows.

IFRS 9 prescribes the measures of impairment to be used, outlined below:

Lifetime

An estimate of the losses that could occur over the remaining term as a result of defaults, weighted by the probabilities that those defaults might take place. Used where there has been a significant increase in the risk profile of an instrument or when the collective or simplified approaches are applied.

12 month

An estimate of the losses that could occur over the remaining term as a result of defaults that could happen in the next financial year, weighted by the probabilities that those defaults might take place. Used on low risk instruments or those where risk has reduced or remained unchanged since recognition.

Cumulative change since recognition

The movement in lifetime ECLs since the asset was initially recognised.
Only for assets credit-impaired on initial recognition.

Collective approach

Where information on the risk of individual assets cannot be obtained without undue cost or effort the collective approach will be applied. The collective approach groups assets with similar characteristics together applying the lifetime expected loss calculation to the group. The authority will apply this where appropriate.

Simplified approach

The simplified method uses lifetime expected credit losses and must be applied to trade receivables without a significant financing component and those with remaining contract of over 12 months. The authority will use a provision matrix as per working paper 17 Short and Long Term Debtors.

Government grants and contributions

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

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

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

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

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

Heritage assets

The council's heritage assets can be categorised as follows:

- Historic buildings and monuments – including the West Stow Anglo Saxon Village and St Saviours Hospital ruins
- The Museum Collections – including fine and decorative art, horology, textiles, archaeology, and social history collections
- Civic Regalia – including civic and ceremonial items

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the council's accounting policies on property, plant and equipment. Recognition of the heritage assets is subject to a £10,000 de minimis threshold. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

Heritage buildings, statues and monuments

Assets used in the provision of services (for example, museum buildings) are accounted for within the council's operational assets. The properties which fall within

the definitions of heritage assets are St Saviours Hospital (largely foundations only remaining) and West Stow Anglo Saxon Village (a historic recreation of an Anglo Saxon village constructed as an educational project during the latter half of the twentieth century). As cost and valuation information is not available for these assets, they are not reported on the council's Balance Sheet.

Other Buildings, Statues and Monuments include the Newmarket Stallion (a bronze statue of King Charles II's horse, Old Rowley) and Mildenhall Market Cross situated in Mildenhall town centre. These items are reported in the Balance Sheet at depreciated replacement cost, supplied by external valuers with specialist knowledge of this market. These valuations are kept under review and are updated annually. Where there is considered to be a determinate life, the council will depreciate in accordance with the Authority's accounting policies on property, plant and equipment.

The museum collections

Fine and Decorative Art - The Fine and Decorative Art collection includes paintings (the most notable of which is a portrait by James Tissot valued at £1.8 million), statues and various decorative art collections including antique glass, armorial porcelain, snuff boxes and scent bottles. These items are reported in the Balance Sheet at insurance valuation which is based on market values supplied by external valuers with specialist knowledge of this market. These valuations are kept under review by the council's Heritage Services staff and updated annually.

Horology - Horology includes the Gershom Parkington collection, the Allen collection of American clocks, and various clocks by local makers. These items are reported in the Balance Sheet at insurance valuation which is based on market values supplied by external valuers with specialist knowledge of this market. These valuations are kept under review by the council's Heritage Services staff and updated annually.

Textiles - Textiles incorporate the Irene Barnes collection of 1920s costume along with a wide range of other textile and costume related items, focusing on the period 1850-1950. Due to the number and diverse nature of the artefacts within this collection, and to the lack of comparable values, the council considers that the cost of obtaining valuations for these items would be disproportionate in comparison to the benefits to the users of the council's financial statements. The council does not therefore recognise this collection of heritage assets on the Balance Sheet.

Archaeology - Includes prehistory, Bronze Age, Iron Age, Romano British, Anglo Saxon and Medieval material. In the opinion of the council the archaeological collection cannot be valued because the number and wide variety of the artefacts makes it impractical to do so. Conventional valuation approaches lack sufficient reliability in this field and the council considers that the cost of obtaining valuations for these items would be disproportionate in terms of the benefit gained. The council does not therefore recognise this collection of heritage assets on its Balance Sheet.

Social History - The Social History collection includes everything post Medieval which does not fall into the specialist categories of Horology, Fine and Decorative Art or Archaeology. In the opinion of the council the Social History collection cannot be valued because the number and wide variety of the artefacts makes it impractical to do so. Conventional valuation approaches lack sufficient reliability in this field and the council considers that the cost of obtaining valuations for these items would be disproportionate in terms of the benefit gained. The council does not therefore recognise this collection of heritage assets on the Balance Sheet.

Civic regalia

Civic regalia includes ceremonial items such as the maces, swords, chains of office and other ceremonial items. These items are reported in the Balance Sheet at insurance replacement valuations which are based on market values supplied by external valuers with specialist knowledge of this market. These valuations are kept under review by the council's Heritage Services staff and updated annually.

The civic items held by the council are all deemed to have indeterminate lives and high residual values; hence the council does not consider it appropriate to charge depreciation.

Heritage assets – general

The heritage assets held by the council are all deemed to have indeterminate lives and high residual values; hence the council does not consider it appropriate to charge depreciation. Acquisitions of heritage items are primarily by donation and purchase. Significant bequests include a portrait by James Tissot of Sydney Milner-Gibson (donated in the 1920s) and the Gershom-Parking collection of watches and clocks (donated in 1953). Acquisitions are initially recognised at cost and donations recognised at valuation. The carrying value of heritage assets are reviewed for evidence of impairment, for example through physical deterioration or breakages or where doubts arise as to their authenticity. Any impairment is recognised and measured in accordance with the council's general policies on impairment. The council does not normally purchase or dispose of significant heritage asset items. On rare occasions where items may be disposed of the proceeds of such items are accounted for in accordance with the council's general provisions relating to the disposal of property, plant and equipment.

The council has adopted a formal Acquisitions and Disposal Policy for its Heritage Services, which is available via the council's web site – www.westsuffolk.gov.uk. This policy outlines the principles governing the acquisition and disposal of material by West Suffolk Heritage Service within the context of its mission to 'develop, preserve and explain the collections held by West Suffolk Council for as wide an audience as possible, to foster the region's diverse cultural, natural and archaeological heritage, and to improve the quality of life for the district's residents and visitors.'

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council as a result of past events (for example, software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an

active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

The Useful Economic Lives (UEL) of the council's intangible assets range from 3 to 5 years. The council's Market Rights are held as intangible assets but are deemed to have indefinite life, and an annual impairment review is undertaken.

Interests in companies and other entities

The council has interests in ARP Trading Limited, Verse Facilities Management Limited and Barley Homes (Group) Limited that have the nature of subsidiaries, joint ventures and associates and requires the council to prepare group accounts. As only the amounts relating to Barley Homes (Group) Ltd are material, group accounts have not been prepared for either ARP Trading Limited or Verse Facilities Management Limited.

Barley Homes (Group) Limited is a 100 per cent subsidiary of the council, and as such the accounts have been fully consolidated on a line by line basis after excluding any intercompany transactions.

Within the council's own single entity accounts, the interest in companies and other entities are recorded as financial assets at cost, less any provision for losses.

Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Inventories held by the council include wheeled bins, fuel and vehicle spares.

Investment properties

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

The council does not currently hold any investment properties.

Joint operations and jointly controlled assets

Joint operations are activities undertaken by the council in conjunction with other parties that involve the use of the assets and resources of the parties rather than the establishment of a separate entity.

This Council has a joint operation, not an entity, with the districts of Breckland, East Cambridgeshire, Fenland, and East Suffolk, through the Anglia Revenues Partnership Joint Committee. In accordance with the code the council has accounted for its share of the income and expenditure within its own single entity accounts.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the authority and other parties, with the assets being used to obtain benefits for the parties. The joint arrangement does not involve the establishment of a separate entity.

In accordance with the code and the Anglia Revenues Partnership Joint Committee agreement, the council has accounted for its share of the assets being used by the joint operation.

Leases

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

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

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

The council as lessee

Finance leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment - applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the council at the end of the lease period).

The council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are

therefore replaced by a revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (for example, there is a rent-free period at the commencement of the lease).

The council as lessor

Finance leases

Where the council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property - applied to write down the lease liability (together with any premiums received), and
- finance income (credited to the Financing and investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

Operating leases

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if

this does not match the pattern of payments (for example there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Overheads and support services

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

Property, plant and equipment

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

Recognition

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

The following de minimis levels are applied:

- Land and buildings - all land and buildings are included
- Operational vehicles and plant - £10,000 de minimis
- Other assets - £10,000 de minimis.

Expenditure below the stated de minimis thresholds, and expenditure that secures but does not extend the previously assessed standard of performance of an asset (for example repairs and maintenance) is charged directly to service revenue accounts.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition will not increase the cash flows of the council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the council. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and

Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction - historical cost
- dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH)
- vehicles, plant and equipment are measured at historic cost as a proxy for current value.
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service.

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Impairment

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

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up

to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and can only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

Depreciation

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

Depreciation is calculated on the basis of a straight-line allocation over the useful life of the asset.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. The council only accounts for an asset on a component basis of the cost or valuation if that asset exceeds £1.5 million unless there is clear evidence that this would lead to a material misstatement in the council's financial statements.

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

Minimum revenue provision

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

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, the council continues to use the Capital Financing Requirement method for calculating the Minimum Revenue Provision for supported capital expenditure. The council has no unsupported debt.

Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

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

Contingent liabilities

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

Contingent assets

A contingent asset arises where an event has taken place that gives the council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year and charged against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits, and do not represent usable resources for the council.

Revenue expenditure funded from capital under statute

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

VAT

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

West Suffolk Annual Governance Statement 2022 to 2023

Introduction

The West Suffolk Council [Local Code of Corporate Governance](#)¹ defines good governance as how we ensure we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This comprises the systems and processes and cultures and values, by which the council is shaped, directed and controlled and through which we are accountable to, engage with and lead communities.

Operating under a leader and cabinet model of governance, West Suffolk Council's arrangements for delegation of council functions to committees and officers are set out alongside the Leader's executive arrangements in the Constitution, which is always under review, to ensure robust arrangements for open, transparent, and accountable decision making.

Decision making, financial arrangements and procurement activity are bound by clear rules of procedure that focus resources on the achievement of the council's strategic outcomes and are rooted in legal compliance. All these arrangements are kept constantly under review, including by considering best practice from other councils and organisations.

This Annual Governance Statement sets out how the council complies with its code of corporate governance throughout 2022 to 2023, how the effectiveness of governance arrangements has been monitored, and any planned changes.

Key features of West Suffolk Council's governance, including specific activities from 2022 to 2023

In order to secure the outcomes and aspirations of elected members, the West Suffolk Council's governance arrangements seek to ensure that we serve local communities in a way that demonstrates accountability, transparency, effectiveness and value for money, integrity, and inclusivity.

Governance processes

The council monitors the achievement of its strategic objectives as set out in the Strategic Framework and supporting strategies; and assesses whether those objectives have led to appropriate outcomes and value for money.

Defining outcomes

West Suffolk Council uses data to better understand the issues facing its communities and their challenges and opportunities. This includes working in partnership through the Suffolk Office of Data & Analytics (SODA) which was set up as a collective endeavour between Suffolk public service organisations to improve our usage of data to generate new insights into public services and the needs they serve.

¹ The code was prepared in accordance with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework, '[Delivering Good Governance in Local Government](#)'

One of the ways West Suffolk Council is meeting the issues that are identified is by building capacity in the community. This is primarily achieved through the council's Families and Communities approach, which guides its broader frameworks and plans.

West Suffolk's identified ambition for growth is achieved through the implementation of the Growth Investment Strategy, supported by the Investing in Growth Fund. These measures seek to support and invest in communities and businesses to encourage and manage ambitious growth in both local prosperity and quality of life.

A key element to this is ensuring that the council has a sustainable budget. The West Suffolk Council Medium Term Financial Strategy (MTFS) sets out how we are working more efficiently, through transforming services, moving to digital forms of communication, and behaving more commercially.

Interventions

West Suffolk Council is innovative in its approach to delivery models, including partnerships, a wholly owned housing company and a strategic relationship with the leisure trust. These structures are kept under review to ensure they remain fit for purpose and meet the council's code of corporate governance.

The council also has a Target Operating Model which acts as a template for the delivery of services to individuals and businesses and which ensures digital transactions are maximised where appropriate and routine back-office functions are carried out in the most efficient and effective way possible.

Managing risks and performance

West Suffolk Council has in place a comprehensive framework to monitor and challenge performance and appraise projects.

In 2022 to 2023, the council implemented a refreshed set of key performance indicators (KPIs), reporting monthly to Leadership Team and portfolio holders. The Performance and Audit Scrutiny Committee (PASC) receives the KPIs and financial performance through quarterly reports for monitoring and scrutiny.

The Overview and Scrutiny Committee promotes open and transparent decision-making, democratic accountability and holds the Cabinet to account for its actions.

Building capacity

The council recognises the importance of developing its capacity as an organisation, including the capacity of its leadership through continuous development and collaboration between the council's Leadership team and Service Managers.

West Suffolk Council also recognises the benefits of improving expertise and staying up to date in our practice. As a result, the council invests in the development of its councillors and staff through training.

This included establishing in 2022 to 2023:

- Treasury management training for members.
- Core management training for Service Managers and Team Leaders.
- An Aspiring Leaders programme, as well as a peer networking and self-mentoring group.
- A new Workforce Strategy.

In 2022 to 2023, a statutory officer's group was established, to formalise the ongoing liaison between the Head of Paid Service, Section 151 officer and Monitoring officer.

Ensuring openness

The council shares information on its investments, partnerships, and other achievements through the council's website, news releases and social media.

A number of consultations, with new engagement methods, were also carried out during 2022 to 2023. In addition, 'West Suffolk Council: The story so far' was published, reviewing the activities of the council over the last four years.

Proposed activity, 2023 to 2024

Following the local government elections on 4 May 2023, a new administration will be formed to lead West Suffolk Council. The administration will set out a policy programme and agree governance arrangement to ensure the delivery of its commitments for the coming municipal term. As such, governance and scrutiny arrangements may be altered, and new priorities and processes agreed.

The council has a number of proposed activities relating to governance for 2023 to 2024. This includes:

- The council will be inviting the Local Government Association (LGA) to carry out a Corporate Peer Challenge review.
- Working in partnership with other authorities to work towards finalising the potential of a County Deal.
- Implementing the Rural England Prosperity Fund.
- Responding to changes in Government policy, such as planning, waste and recycling and levelling up.
- Producing a new Strategic Framework and Housing Strategy.
- Submitting the draft Local Plan for examination.
- Reviewing council contracts as part of the internal Change and Service Improvement programme
- Reviewing of learning of other councils, specifically looking into measures to prevent governance failings.

Review of effectiveness

The annual review of the governance framework and system of internal control involves:

- a self-assessment exercise.
- consideration of of audit issues raised and audit opinions issued during the period.
- the external auditor's comments, and other review agencies and inspectorates' reports.
- where appropriate, production of an action plan where progress is assessed and recorded.

Based upon the audit work undertaken during the financial year 2022 to 2023, as well as assurances made available to the council by other assurance providers, the Service Manager (Internal Audit) has confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the council, as well as the risk management systems, are operating adequately and effectively.

Significant governance issues

The review of the effectiveness of the governance framework for 2022 to 2023 concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

There are no significant governance issues to disclose.

Appendix – Elements of governance framework (by Principle)

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Constitution • Employees Code of Conduct • Councillors Code of Conduct • Contract Procedure Rules • Anti-fraud and Anti-corruption Policy • Whistleblowing Policy • Anti-Money Laundering Policy • Registers of interests • ICT Security Policy • Monitoring Officer • Statutory Officer Group • Safeguarding Policy • Modern Slavery Statement • Equality Scheme • Camera Surveillance Code of Practice
Principle B	Ensuring openness and comprehensive stakeholder engagement
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Annual report • Environmental Statement • Reports and minutes available on the council's website • Consultation Statement • Equality Scheme • Use of complaints and feedback to aid learning for future service development. • Media and social media releases. • Council website
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Strategic Framework • Growth Investment Strategy • Housing Strategy • Families and Communities Approach • Medium Term Financial Strategy • Local Plan • Treasury Management • Capital Strategy • Business plans • Risk Management Policy and toolkit • Investment Framework • Environment and Climate Change Action Plan
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Key elements of	<ul style="list-style-type: none"> • Consultation statement and programme • Families and Communities approach

the council's governance framework	<ul style="list-style-type: none"> • Enforcement • Performance monitoring • Project management framework • Procurement Policy • Medium Term Financial Strategy • Business partner model • Business case model • Partnership working across the public and voluntary sectors in Suffolk • Change and Service Improvement (CSI) programme
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Workforce plan • Learning and development policy • Constitution • Employee performance review framework • Disciplinary procedure • Job descriptions • Agile working guidance
Principle F	Managing risks and performance through robust internal control and strong public financial management
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Financial procedure rules • Contract procedure rules • Treasury management strategy and growth investment strategy • Budget monitoring • Performance and Audit Scrutiny Committee • Strategic risk register • Investment framework • Risk management toolkit • Performance Dashboards • Internal audit • Business continuity plan • Corporate Complaints and Compliments Policy
Principle G	Implementing good practices in transparency, reporting and audit to deliver effective accountability
Key elements of the council's governance framework	<ul style="list-style-type: none"> • Council website • Statement of accounts • Annual Governance Statement • Annual Report • Environmental Statement • Medium Term Financial Strategy • Anti-fraud and Anti-corruption Policy • Whistleblowing Policy • Data Protection Policy • Officer Information Governance Group • Performance Dashboards • Annual internal audit report and opinion

Assurance by Chief Executive and Leader of the Council

We approve this statement and confirm that it forms the basis of the council's governance arrangements and that these arrangements will be monitored and strengthened in the forthcoming year as described above.

Signed:

Councillor Cliff Waterman
Leader of the Council

Date:

Signed:

Ian Gallin
Chief Executive

Date:

Independent auditor's report to the members of West Suffolk Council

To be inserted at the end of the audit

Glossary

Accounting Code of Practice

The preparation and control of accounting is regulated, however there is no statutory basis for accounting entries. Instead of a statutory basis, the accounting bodies have agreed an 'Accounting Code of Practice'.

Accounting period

The length of time that is covered by the accounts, the end of the accounting period being the Balance Sheet date. This is normally a period of 12 months commencing on 1 April each year.

Accruals

This is one of the main accounting concepts which ensures that income and expenditure items are shown in the accounts as they are earned or incurred, not as money is received or paid.

Actuarial gains and losses

Changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are reflected in the Pensions Reserve in the Balance Sheet.

Actuarial valuation

A valuation produced by the pension fund's nominated Actuary (see definition below) that measures the fund's ability to meet its long-term liabilities. The Actuary produces an assessment of the likely increase in the value of the pension fund in the future (for example its assets) and the probable payments due out of the fund (its liabilities). The net asset or liability of the fund pertaining to the council is consequently reflected in its Balance Sheet.

Actuary

A business professional who deals with the financial impact of risk and uncertainty. A pension actuary assesses projections of pension fund assets and liabilities based upon an analysis of expected future investment returns, pension fund contributions and liabilities.

Amortised cost

This is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

Asset

A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Assets held for sale

Assets at the year-end where it is likely that their carrying amount will be recovered principally through a sale transaction rather than through their continuing use.

Asset Ceiling for Pension Asset (Defined Benefit Pension Schemes)

The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. This recognises that any asset

arising at the date of the balance will most likely lead to a refund to the employer, or reduced contributions for a period of time.

Balance sheet

A financial statement that summarises the council's assets, liabilities and other balances such as reserves at the end of each accounting period.

Budget

A financial statement that expresses the council's service delivery plans and capital programme in monetary terms.

Business Rate Retention Scheme

A scheme introduced in April 2013 for allocating business rates collected locally between the collecting authority (district council), central government and the county council.

Capital expenditure

Expenditure which results in the acquisition, construction or creation of non-current assets or expenditure which adds to the value of existing non-current assets (over and above maintenance).

Capital financing

This is the overall term used to describe the various sources of money that the council uses to pay for its Capital Expenditure. The sources that West Suffolk uses include direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Capital receipts

Proceeds from the sale of capital assets. Such income may only be used to repay loan debt or to finance new capital expenditure.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The principal accountancy body dealing with Local Government finance. More details can be found on the CIPFA website www.cipfa.org.uk.

Chief Financial Officer (CFO)

The organisation's most senior executive role charged with leading and directing financial strategy and operations.

Code of Practice on Local Authority Accounting in the United Kingdom

Defines proper accounting practices for Local Authorities in England, Wales, Scotland and Northern Ireland.

Creditors

Amounts owed by the council for which payment has not been made by the end of the financial year.

Contingent liabilities

Where the council has a financial obligation, which at the present time is uncertain.

Debtors

Amounts due to the council which are unpaid at the end of the financial year.

Defined benefit pension scheme

A pension scheme where the council and its employees pay contributions into the fund, calculated at a level which is intended to balance the pension liabilities with its investment assets.

De minimis

A term used to describe the lower limit of a transaction, below which no action is required, for example a purchase which is below the Capital expenditure de minimis limit would not be classified a capital even though it meets the other relevant criteria.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset.

Donated asset

An asset transferred to an entity at nil value or acquired at less than fair value.

Employee benefits

All forms of consideration given by an entity in exchange for the service rendered by employees.

External auditor

An officer appointed by Public Sector Audit Appointments Limited (PSAA) to provide an independent audit of the accounts. For the year of account, the council's external auditors were EY.

Exit package

A payment made to an officer on leaving the council's employment. This includes compulsory and voluntary redundancy costs, pension contributions in respect of added years, and any other departure costs that have been agreed.

Fair value

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

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial timetable

The financial activities of the council are geared to a regular financial timetable which begins in the autumn of each year with the preparation of the current year's review and budgets for the ensuing year, following closure and audit of the Statement of Accounts for the previous year.

Formula grant

The aggregate of Revenue Support Grant (RSG) plus Baseline Funding (redistributed income from Business Rates Retention to reflect need but excluding any locally generated growth). Formula Grant is divided into four blocks:

A needs assessment – Relative Needs Formulae (RNF) – is intended to reflect the relative cost of providing comparable services between different local authorities. It takes account of characteristics such as population and social structure

A resources element – relative resources amount – takes account of the different capacity of different areas to raise income from council tax due to the differing mix of properties. It is a negative amount as it represents assumed income for local authorities

A central allocation which is the same for all local authorities delivering the same services

A floor 'damping block' in order to give every local authority a minimum grant increase. Grant increases to other councils in the same class are scaled back to pay to bring all local authorities up to the appropriate floor increase.

Governance

The arrangements in place to ensure that an organisation fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an economical, effective, efficient and ethical manner.

Grants and contributions

Assistance in the form of transfers of resources to an authority in return for past or future compliance with certain conditions relating to the operation of activities.

Heritage assets

A Heritage Asset is an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

International Accounting Standard (IAS)

Accounting standards developed by the International Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Code of Practice except where the standards conflict with specific statutory requirements.

International Financial Reporting Standards (IFRS)

Financial reporting standards developed by the International Accounting Standards Board.

Joint Arrangement that is not an entity (JANE)

A contractual arrangement under which the participants engage in joint activities that do not create an entity, because it would not be delivering a service or carrying on a trade or business of its own.

Joint venture

An entity in which the reporting authority has an interest on a long-term basis and is jointly controlled by the reporting authority and one or more other entities under a contractual or other bidding arrangement.

Local Authority Scotland Accounts Advisory Committee (LASAAC)

The principal accounting body dealing with Local Government finance in Scotland.

Liability

An obligation of an entity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

Long term borrowing

Loans that have been raised to finance capital spending which have still to be repaid.

Materiality

The threshold or level that determines whether or not an item is relevant to the financial statements presenting a true and fair view. An item of information is material to the financial statements of an entity if its misstatement or omission might reasonably be expected to influence the economic decisions of users of the statements.

New Homes Bonus

Funding for councils which was introduced from April 2011 which was designed to be an incentive to promote Housing growth. The government will match fund the additional Council Tax raised for new homes and properties brought back into use, with an additional amount included for affordable homes.

Non-current assets

Assets that yield benefits to the council for a period of more than one year.

Pensions - Retirement benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement Benefits do not include termination benefits payable as a result of:

- a. An employer's decision to terminate an employee's employment before the normal retirement date; or
- b. An employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Pensions - Scheme liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Revenue expenditure and income

Expenditure and income arising from the day to day operations of the council.

Revenue Support Grant

A grant received from the government to support the day to day running costs of the council. In conjunction with the council's share of retained Business Rates it is also known as formula grant.

Section 106 contributions

Section 106 of the Planning Act 1990 allows a local planning authority to secure an obligation from any person interested in land, with the purpose of (amongst other things) 'requiring a sum or sums to be paid to the authority on a specified date or dates or periodically'. The purpose of these sums is generally to enable the council to mitigate the impact of any developments on the locality, typically on items such as infrastructure and open spaces.

All financial contributions secured by a section 106 agreement are ring fenced, and they are normally to be used within a specific timescale, failing which the developer

may be entitled to repayment with interest, depending upon the terms of the particular agreement.

Section 151 Officer

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 officer also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

Senior officer

A senior officer (England and Wales) is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 (England); £60,000 (Wales) per year (to be calculated pro rata for a part-time employee) and who is:

- a. the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- b. the head of staff for a relevant body which does not have a designated head of paid service or
- c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

SOLACE (Society of Local Authority Chief Executives)

The representative body for senior strategic managers working in local government, in particular Chief Executives.

Termination benefits

Employee benefits payable as a result of either:

- a. an entity's decision to terminate employment before the normal employment date, or

an employee's decision to accept voluntary redundancy in exchange for those benefits.

More information

Further information concerning any matter relating to the council can be obtained from the following sources:

Customer Services: 01284 763233

Bury St Edmunds Office

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

Mildenhall Office

Mildenhall Hub, Sheldrick Way, Mildenhall, Suffolk IP28 7JX

Haverhill Office

Haverhill House, Lower Downs Slade, Haverhill, Suffolk CB9 9EE

Complaints and Local Government and Social Care Ombudsman: Annual Report 2022-23

Report number:	PAS/WS/23/020	
Report to and date(s):	Performance and Audit Scrutiny Committee	28 September 2023
Cabinet members:	Councillor Gerald Kelly Portfolio Holder for Governance and Regulatory Email: Gerald.Kelly@westsuffolk.gov.uk	
	Councillor Donna Higgins Portfolio Holder for Families and Communities Email: Donna.Higgins@westsuffolk.gov.uk	
Lead officers:	Teresa Halliday Monitoring Officer Tel: 01284 757144 Email: teresa.halliday@westsuffolk.gov.uk	
	Davina Howes Director (Families and Communities) Tel: 01284 757070 Email: davina.howes@westsuffolk.gov.uk	

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

Wards impacted: No specific wards are impacted by this report.

Recommendation: It is recommended that the Performance and Audit Scrutiny Committee notes the content of this report.

1. Context to this report

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) is appointed by the Government to resolve complaints which cannot be resolved by the Council itself. Each year, it considers thousands of complaints from members of the public about the way that councils operate and seeks to independently and fairly adjudicate on them, reaching a final conclusion.
- 1.2 Before the LGSCO will consider a complaint, the complainant must first seek to exhaust the Council's own [West Suffolk Corporate Complaints Policy](#). The intention being to resolve complaints before they escalate and consider any learning across services throughout the process. At West Suffolk, this will mean that the complainant must go through two stages:
- a) Step One: The service will review the complaint and respond accordingly. The response will usually be from the Service Manager or Director for the area.
 - b) Step Two: If the complainant is dissatisfied with the Step One response, the Council's legal service will undertake a review of the complaint. However, a complaint will not be considered under Step 2 unless the complainant has new information that has not previously been investigated under the Step 1 process.

The complainant will be informed that if they are still unhappy, they may refer the matter to the LGSCO.

2. Number of Complaints received

- 2.1 Whilst the Council is only required to report on the findings of the LGSCO, this year we have extended this report to include information on the complaints that we managed as part of our internal Corporate Complaints Policy either as Step One and Step Two complaints. ([West Suffolk Corporate Complaints Policy including Persistent and unreasonable behaviour policy](#)).
- 2.2 The aim of this section of this report is to provide an overview of the areas where residents and customers felt a need to complain and the action the Council has taken to remedy these complaints.
- 2.3 Complaints are recorded by Directorate. For the purposes of this report complaints relating to Anglia Revenues Partnership (ARP) which is the organisation that administers Council Tax, Business Rates and benefits on behalf of the Council, are included under the Resources and Performance Directorate. The table below shows the total number of complaints received for 2022-2023 and whether or not they were upheld after consideration:

Step One Complaints by Directorate	Total number of Step One complaints	Number not upheld	Number upheld	Number partially upheld
Families and Communities	5	4	1	-
Human Resources, Governance and Regulatory	3	3	0	-
Operations	12	8	2	2
Planning and Growth	10	10	-	-
Resources and Property	16	11	1	4
Total	46	36	4	6

- 2.4 As can be seen from the table above in majority of instances the complaints are not upheld. These are usually instances where a complainant is not happy with the outcome or response to an issue such as, a planning application, enforcement action, tree or parking issue, but due process and policy has been followed and the Council is not at fault.
- 2.5 In those instances where the complaints were upheld, a variety of actions have been taken by the Council to prevent the issue arising again. For example, a change to administrative process or procedure, an amendment to our documents/guidance.
- 2.6 We also encourage services to record compliments received from customers. During 2022-2023 we have received compliments relating to the following service areas:

Directorate	Number
Families and Communities	11
Human Resources, Governance and Regulatory	14
Operations	33
Planning and Growth	60
Resources and Property	1
Chief Executives Team	5
Total	124

3. Internal Investigations – Overview of Step Two Complaints

- 3.1 The Council's Corporate Complaints Policy requires that all Step Two complaints are investigated by the Council's legal service. There are some occasions where the nature of the complaint will result in it progressing directly to Step 2. All reviews regarding Freedom of Information Act (FOI) and Data Subject Access (DSAR) requests are also considered as Step 2 complaints and included in these figures:

Step Two Complaints by Directorate	Total number of Step Two Complaints	Number not upheld	Number upheld	Number partially upheld
Families and Communities	1	-	1	-
Human Resources, Governance and Regulatory	2	1	-	1
Operations	-	-	-	-
Planning and Growth	3	2	-	1
Resources and Property	2	2	-	-
Total	8	5	1	2

- 3.2 The table below outlines the number of Step Two complaints investigated across the Council over the last five years, which presents a generally consistent picture in terms of volume.

Year	Total Number
2022-2023	8
2021 -2022	8
2020 -2021	16
2019- 2020	22
2018- 2019	14

4. **Complaints submitted to the LGSCO 2022-2023**

- 4.1 Only in the small number of cases where the complainant feels it necessary, having exhausted the Council's own procedures (even where the complaint has been upheld), can a complaint be made to the LGSCO to progress the matter further. By their nature, such cases can be very multifaceted and have arisen over a long period of time.
- 4.2 Each year, the Local Government Ombudsman (LGSCO) issues an annual report on its activity, which maps the volume and nature of complaints it has received across the Country. This is available on the LGSCO's website. Each Council is also issued with its own performance report (**Appendix 1**).
- 4.3 This report to the Performance and Audit Scrutiny Committee seeks to inform members of the outcome of the complaints considered by the LGSCO about West Suffolk Council for the period 2022-2023.
- 4.4 The LGSCO has reported that they received 14 complaints relating to West Suffolk Council in the preceding 12 months. These are categorised by service area:

Service Area	No received
Corporate and Other Services	1
Planning and Development	5
Highways and Transport	2
Housing	4
Benefits and Tax	2
Total	14

- 4.5 Some of these complaints will have already been considered by the Council at either Step One or Step Two.
- 4.6 The LGSCO also reports on the decisions made against complaints received. These numbers may vary from the number received in 2022-23 because some decisions may be against complaints received in the previous year:

Service Area	Decision
Corporate and Other Services	1 x Closed after initial enquiries
Highways and Transport	1 x Not upheld 2 x Closed after initial enquiries 1 x Upheld
Planning and Development	5 x Closed after initial enquiries
Housing	1 x Closed after initial enquiries 2 x Referred back for local resolution
Benefits & Tax	1 x Incomplete/invalid
Total	14

5. Outcome of complaints considered by LGSCO

- 5.1 When the LGSCO receives a complaint, it will first assess it against its criteria to ensure that it is valid, that the complainant has exhausted the Council's own complaints process and that there is public interest in investigating the matter further.
- 5.2 If the LGSCO decides to investigate a complaint further, it will either uphold the complaint or not uphold it. It may agree with any remedial action taken by the Council or ask the Council to undertake further actions. The LGSCO's annual report sets out the decisions made against complaints made against West Suffolk Council:
- 5.3 The LGSCO upheld one complaint in 2022-23 and made a finding of fault but with no injustice. The details of the complaint can be found here: [22 007 006 - Local Government and Social Care Ombudsman](#)

6. Consultation and engagement undertaken

- 6.1 No consultation or engagement is required or undertaken in respect of this report.

7. Risks associated with the proposals

- 7.1 No specific risks arise from this report.

8. Implications arising from the proposals

- 8.1 Legal Compliance – the Monitoring Officer is required to report to Council where the LGSCO makes a significant adverse finding (public interest report). No such cases have arisen.

9. Appendices referenced in this report

9.1 Appendix 1, 1a, 1b, 1c: The LGSCO annual review letter 2023

10. Background documents associated with this report

10.1 None

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Local Government & Social Care OMBUDSMAN

19 July 2023

By email

Mr Gallin
Chief Executive
West Suffolk Council

Dear Mr Gallin

Annual Review letter 2022-23

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with that of similar organisations, rather than previous years, to better understand your organisation's performance.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

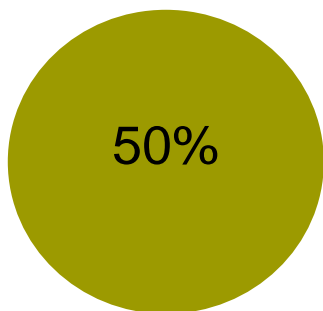
In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Yours sincerely,



Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld



50% of complaints we investigated were upheld.

This compares to an average of **59%** in similar organisations.

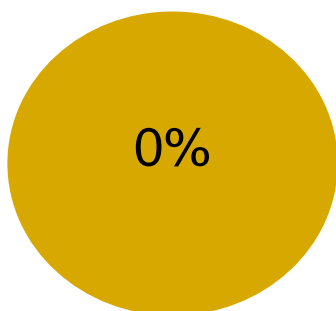
1
upheld decision

Statistics are based on a total of **2** investigations for the period between 1 April 2022 to 31 March 2023

Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

Satisfactory remedy provided by the organisation



In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **15%** in similar organisations.

0
satisfactory remedy decisions

Statistics are based on a total of **1** upheld decision for the period between 1 April 2022 to 31 March 2023

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Reference	Authority	Category	Received
22014244	West Suffolk Council	Planning and Development	19/01/23
22001136	West Suffolk Council	Planning and Development	06/06/22
22001494	West Suffolk Council	Planning and Development	04/05/22
22003529	West Suffolk Council	Highways and Transport	15/06/22
22007006	West Suffolk Council	Highways and Transport	24/08/22
22008700	West Suffolk Council	Planning and Development	26/09/22
22010030	West Suffolk Council	Planning and Development	21/10/22
22013025	West Suffolk Council	Corporate and Other Services	03/01/23
22014455	West Suffolk Council	Benefits and Tax	26/01/23
22016223	West Suffolk Council	Housing	28/02/23
22016631	West Suffolk Council	Housing	07/03/23
22017325	West Suffolk Council	Housing	21/03/23
22017382	West Suffolk Council	Benefits and Tax	21/03/23
22017999	West Suffolk Council	Housing	28/03/23

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Reference	Authority	Category	Decided	Decision	Decision Reason	Remedy	Service improvement recommendations
21010179	West Suffolk Council	Highways and Transport	05/12/22	Not Upheld	no fault		
21018838	West Suffolk Council	Highways and Transport	04/04/22	Closed after initial enquiries	26(6)(a) tribunal TPT/PATAS		
21019088	West Suffolk Council	Planning and Development	25/04/22	Closed after initial enquiries	Not warranted by alleged fault		
22001136	West Suffolk Council	Planning and Development	10/06/22	Closed after initial enquiries	Not warranted by alleged fault		
22001494	West Suffolk Council	Planning and Development	17/05/22	Closed after initial enquiries	Not warranted by alleged injustice		
22003529	West Suffolk Council	Highways and Transport	08/07/22	Closed after initial enquiries	26(6)(a) tribunal TPT/PATAS		
22007006	West Suffolk Council	Highways and Transport	06/01/23	Upheld	fault no inj		
22008700	West Suffolk Council	Planning and Development	19/10/22	Closed after initial enquiries	26B(2) not made in 12 months		
22010030	West Suffolk Council	Planning and Development	09/11/22	Closed after initial enquiries	Other reason not to investigate		
22013025	West Suffolk Council	Corporate and Other Services	06/01/23	Closed after initial enquiries	Other Agency better placed		
22014455	West Suffolk Council	Benefits and Tax	26/01/23	Incomplete/Invalid	Insufficient information to proceed and PA advised		
22016223	West Suffolk Council	Housing	17/03/23	Closed after initial enquiries	Not warranted by alleged fault		
22016631	West Suffolk Council	Housing	07/03/23	Referred back for local resolution	Premature Decision - advice given		
22017999	West Suffolk Council	Housing	28/03/23	Referred back for local resolution	Premature Decision - referred to Organisation		

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Reference	Authority	Category	Decided	Remedy	Remedy Target Date	Remedy Achieved Date	Satisfaction with Compliance
No compliance data recorded during the period							

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Regulation of Investigatory Powers Act 2000 – Annual Report and Review of the RIPA Guidance

Report number:	PAS/WS/23/021	
Report to and date(s):	Performance and Audit Scrutiny	28 September 2023
Cabinet member:	Councillor Gerald Kelly Portfolio Holder for Governance Email: gerald.kelly@westsuffolk.gov.uk	
Lead officer:	Jennifer Eves Director HR, Legal and Regulatory Services Tel: 01284 757144 Email: teresa.halliday@westsuffolk.gov.uk	

Decisions Plan:	This item is not required to be included in the Cabinet Decisions Plan.
Wards impacted:	No specific wards are impacted by this report.
Recommendation:	It is recommended that the Performance and Audit Scrutiny Committee note the update on the use of RIPA and other associated matters.

1. Context to this report

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework to ensure investigatory techniques are used in a way that is compatible with the Article 8 right to respect for private and family life enshrined in the European Convention on Human Rights. RIPA ensures that these techniques are used in a regulated way and provides safeguards against the abuse of such methods. Use of these covert techniques will only be authorised if considered legal, necessary and proportionate.
- 1.2 The Covert Surveillance and Property Interference Code of Practice (Code of Practice) provides guidance on the use by public authorities of Part II of RIPA.
- 1.3 RIPA and the Code of Practice require Councillors to have regular oversight of activities authorised under RIPA. The Code of Practice also requires Councillors to review the Council's RIPA Guidance (an appendix to the Council's Enforcement Policy) at least once a year.

2. RIPA activity at West Suffolk Council

- 2.1 The overwhelming majority of surveillance undertaken by the Council will be done overtly, meaning there will be nothing secretive or hidden about the way it is conducted. In many cases officers will be going about Council business openly (e.g. a routine inspection by an Environmental Health Officer) or will have notified the subject of the investigation that they are likely to be under surveillance (e.g. where a noisemaker is warned that noise will be recorded if it continues).
- 2.2 The Council's RIPA guidance makes sure that when we do use covert techniques (i.e. persons subject to the surveillance are unaware that it is or may be taking place) to help prevent or detect crime or disorder we do so in compliance with RIPA.
- 2.3 Officers will only carry out covert surveillance where such action is justified and proportionate and we have a small pool of senior officers who are trained to authorise such applications (Authorising Officers) which must then be granted by a Magistrate.
- 2.4 Authorisations are regularly reviewed by an Authorising Officer and a confidential register detailing all covert surveillance authorisations is held by the legal service.
- 2.5 No RIPA authorisations have been requested in the preceding year.

3. RIPA Guidance

- 3.1 The RIPA guidance (**Appendix 1**) is currently fit for purpose having recently been updated to include more detailed guidance on Social Media (**Appendix 2**).

4. Risks

- 4.1 There are no significant residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

5. Implications arising from the proposals

- 5.1 Legal Compliance – as a public authority, the Council must ensure it is fully compliant with all relevant legislation. RIPA ensures that covert surveillance, or the use of a CHIS is properly authorised, necessary and proportionate.

6. Appendices referenced in this report

- 6.1 Appendix 1: RIPA Guidance (incorporates a link to the Code of Practice)
Appendix 2: Social Media Guidance

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An appendix to the West Suffolk Enforcement Policy

Regulation of Investigatory Powers Act 2000 Guidance

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1. Introduction

- 1.1** The Regulation of Investigatory Powers Act 2000 (RIPA) is designed to ensure that public bodies respect the privacy of members of the public when carrying out investigations and that privacy is only interfered with where the law permits and there is a clear public interest justification.
- 1.2** The essence of these provisions is to give effect to the provisions in the Human Rights Act 1988 (HRA) which are designed to protect the privacy of members of the public but subject to the right of public authorities to infringe that human right where necessary in a democratic society for the prevention of crime. If applied correctly, RIPA also protects the council and its officers.
- 1.3** This policy and guidance is intended as a practical reference guide for council officers and investigators who may be involved in covert operations. Officers involved in covert operations must familiarise themselves with the Home Office Codes of Practice on Covert Surveillance and Property Interference, Covert Human Intelligence Sources and Acquisition and Disclosure of Communications Data, together with the Home Office guidance on the judicial approval process and crime threshold for directed surveillance, in order to ensure that they fully understand their responsibilities. The Home Office codes and guidance are available from [GOV.UK – RIPA codes](https://www.gov.uk/government/collections/ripa-codes). In addition, it is suggested that officers may wish to look at the latest policy and guidance issued by the Office of Surveillance Commissioners (OSC).
- 1.4** The right to respect for one's private and family life is enshrined in Article 8 of the European Court on Human Rights (ECHR), as adopted in the HRA which renders it unlawful for a public authority to act in a way which is incompatible with any of the convention rights. As with many of the rights in the HRA, the right to privacy is not an absolute right and is subject to certain qualifications. RIPA and regulations provide an exemption from the right to privacy in certain circumstances and allow public bodies to interfere with the individual's right to privacy in circumstances which amount to covert surveillance.
- 1.5** The council is committed to implementing the provisions of RIPA to ensure that any covert surveillance carried out during the course of investigations is undertaken properly and that the surveillance is necessary and proportionate to the alleged offence(s). The council seeks to ensure that this guidance remains consistent with the council's objectives.
- 1.6** This guidance ensures that:
- proper procedures are in place in order to carry out covert surveillance
 - an individual's right to privacy is not breached without justification

- the potential invasion of privacy caused by using techniques regulated by RIPA, are properly justified in a clear, concise paper or electronic trail
- proper authorisation and judicial approval is obtained for covert surveillance
- covert surveillance is considered as a last resort, having exhausted all other avenues
- the seriousness of the offence is considered, in addition to the requirement to weigh up the benefits to the investigation, when considering whether to authorise covert techniques under RIPA
- an officer is designated as the Senior Responsible Officer (SRO) for ensuring that all authorising officers meet the standards required by the Investigatory Powers Commissioner's Office
- the Overview and Scrutiny Committee has a strategic oversight role in or of the council's RIPA process.

1.7 Definitions:

Term	Definition
Communications data	<p>The term communications data embraces the 'who', 'when' and 'where' of a communication but not the content and not what was said or written. It includes the manner in which and by what method a person or machine communicates with another person or machine. It excludes what they say or what data they pass on within that communication.</p> <p>Communications data is generated, held or obtained in the provision, delivery or maintenance communication services, both being postal services or telecommunication services. A postal service consists of any service which is involved in the collection, sorting, conveyance, distribution and delivery of postal items and is offered or provided as a service, the main purpose of which is to transmit postal items from place to place. Any service which consists in the provision of access to and for making use of any telecommunication system (whether or not provided by the person providing the service) the purpose of which is to transmit communications using electric or electromagnetic energy.</p>
Covert	Concealed, done secretly.

Term	Definition
Covert human intelligence source (CHIS)	<p>Use of a covert human intelligence source means establishing or maintaining a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or council officer to strike up a relationship with someone as part of an investigation to obtain information 'under cover'. Recent examples have involved investigations using social media.</p> <p>Someone who volunteers information to the council, either as a complainant or out of civic duty, is unlikely to be a covert human intelligence source. If someone is keeping a record, say, of neighbour nuisance, this will not amount by itself to use of a covert human intelligence source, because they will not have obtained the information in the course of, or as a consequence of, the existence of a personal or other relationship. However, if the council is relying on an individual to ask questions with a view to gathering evidence, then this may amount to use of a covert human intelligence source. The test to apply is not whether there is a task to perform but whether it is to be done by the use of a personal or 'other' relationship (which could include commercial, professional, managerial or employment contracts). If and when it becomes apparent that a repeat informant is obtaining his information in this way, then he is, in reality, a CHIS to whom a potential duty of care is owed if the information is acted upon. Advice should be sought from the Shared Legal Service before acting on information supplied by such a source.</p>
Covert surveillance	<p>Surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place. If activities are not hidden from the subjects of the investigation, it is not covert.</p>
Directed surveillance	<p>Directed surveillance is defined in RIPA as surveillance which is covert, but</p>

Term	Definition
	<p>not intrusive and undertaken for the purposes of a specific investigation or operation.</p> <p>Directed surveillance is conducted where it involves the observation of a person or persons with the likelihood of gathering private information to produce a detailed picture of a person's life, activities and associations.</p> <p>For the purposes of the definition, private information in relation to a person can include information relating to their business and professional activities as well as their private or family life.</p> <p>Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as 'intrusive surveillance' which the council cannot carry out.</p> <p>Any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent should be treated as directed surveillance. This may include covert CCTV surveillance. If any department is unsure, advice should be taken from the Shared Legal Service.</p> <p>Directed surveillance must be properly authorised and judicially approved in accordance with the procedure set out in section 6 of these guidance notes.</p>
Intrusive surveillance	<p>Covert surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device. If a device is not on premises or in vehicle but provides consistent information of the same quality and detail as if it were on the premises or in vehicle, then this will be considered 'intrusive'. Surveillance devices designed or adopted principally for the purpose of providing information about the location of a vehicle are not considered intrusive.</p> <p>Residential premises includes hotel or prison accommodation if being used for living accommodation, plus houses, boats, barracks and so on, but not any common area to which a person is allowed access in</p>

Term	Definition
	connection with his or her occupation of any accommodation. Private vehicles include those for domestic, family and leisure use. It includes any vessel, aircraft or hovercraft.
Service use information	<p>This is data relating to the use made by any person of a postal or telecommunication service or any part of it and falls within Section 21(4)(b) of RIPA. Examples of data within this definition include:</p> <ul style="list-style-type: none"> • itemised telephone call records (numbers called) • itemised records of connections to Internet services • itemised timing and duration of service usage (calls and all connections) • information about amount of data downloaded and/or uploaded • information about the connection, disconnection and reconnection of services • information about provision and use of forwarding or redirection services by postal and telecommunications service providers • information about provision of conference calling, call messaging, call waiting and call barring telecommunications services • information about selection of preferential numbers or discount calls • records of postal items such as records of registered, recorded or special delivery postal items • j. records of parcel confinement, delivery and collection.
Subscriber information	<p>This relates to information held or obtained by a communication service provider about persons to whom the communication service provider has provided or provides a communication service. Those persons would include people who are subscribers to a communication service without necessarily using that service and persons who use a communications service without necessarily subscribing to it. Examples of this include:</p>

Term	Definition
	<ul style="list-style-type: none"> • subscriber checks, such as who is the subscriber of phone number or account holder of an email account • subscribers' or account holders' information including payment methods and any services to which the subscriber or account holder is allocated or has subscribed • addresses for installation and billing • information provided by a subscriber or account holder to a communication service provider such as demographic information or sign up data (to the extent that the information such as a password giving access to the content of the communication is not disclosed).
Surveillance	<p>This includes, monitoring, observing or listening to persons, their movements, their conversations or their activities or communication. It also includes the recording of anything monitored, observed or listened to. Surveillance can be done with or without the assistance of a surveillance device.</p>
Traffic data	<p>This is data that is comprised in or attached to communication for the purpose of transmitting the communication and in relation to the communication which:</p> <ul style="list-style-type: none"> • identifies or appears to identify any person, equipment or location to or from which a communication is or may be received • identifies or selects transmission equipment • comprises signals activate equipment used for transmission of communication • identifies data as data comprised in or attached to a communication • identifies a computer file or a computer programme to which access has been obtained or which has been run by means of a communication but only to the extent that the file or programme is identified by reference to the apparatus in which the final programme is stored (that is, traffic data may identify a server but not a website or page).

2. What does RIPA do?

- 2.1 RIPA places controls on the use of certain methods of investigation. In particular, it regulates the use of surveillance, 'covert human intelligence sources' and the acquisition and disclosure of communications data. This guidance covers these aspects of RIPA.
- 2.2 RIPA's main implications for the council are in respect of covert surveillance by council officers and the use of 'covert human intelligence sources'. It also covers the council's limited dealings with the acquisition and disclosure of communications data.
- 2.3 Surveillance is covered in sections 5 to 6 of this guidance. The use of 'covert human intelligence services' is covered in Section 7. Communications data is dealt with in section 8.

3. Judicial approval and the serious crime threshold

- 3.1 From 1 November 2012, local authorities have been required to obtain judicial approval prior to using covert techniques. Local authority authorisations and notices under RIPA will only be given effect once an order has been granted by a Justice of the Peace (JP).
- 3.2 Additionally, local authority use of directed surveillance under RIPA is now limited to the investigation of crimes which attract a six month or more custodial sentence, with the exception of offences relating to the underage sale of alcohol and tobacco. This threshold does not apply to the use of CHIS or to the acquisition and disclosure of communications data.
- 3.3 The Home Office has published guidance for local authorities and magistrates, which is available at [GOV.UK – RIPA forms](https://www.gov.uk/government/guidance/ripa-forms).
- 3.4 Local authority officers will need to be formally designated to appear before the court for the purpose of seeking judicial approval.

4. Principal responsibilities

The Senior Responsible Officer

- 4.1 The Codes of Practice on Covert Surveillance, CHIS and Communications Data set out the responsibilities of the Senior Responsible Officer, which are broadly the same. The following is a composite list.
- 4.2 The Senior Responsible Officer (SRO) is responsible for:
 - the integrity of the process in place within the local authority to authorise directed and intrusive surveillance and interference with property or wireless telegraphy, for the management of CHIS and the acquisition of communications data

- compliance with Parts I and II of RIPA and with the codes
- oversight of the reporting of errors to the commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors
- engagement with the commissioner or inspectors when they conduct their inspections
- where necessary, oversight of the implementation of post-inspection action plans recommended or approved by the commissioner
- ensuring that all authorising officers are of an appropriate standard, addressing any recommendations and concerns in the inspection reports prepared by the commissioner.

4.3 Also, in relation to covert surveillance and CHIS, the SRO is responsible for:

- ensuring that all authorising officers are of an appropriate standard in light of any recommendations in the inspection reports prepared by the IPCO
- where an inspection report highlights concerns about the standards of authorising officers, this individual will be responsible for ensuring the concerns are addressed.

4.4 The Director for HR, Governance and Regulatory has been nominated as the SRO for the council for directed surveillance and CHIS and also for communications data.

5. Covert surveillance

Introduction

5.1 RIPA is designed to regulate the use of 'covert' surveillance, which is surveillance carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place. If activities are not hidden from the subjects of the investigation, it is not covert.

5.2 Two types are regulated by RIPA – 'directed' and 'intrusive' surveillance. These terms are defined in paragraph 1.7 and also below:

Directed **s**urveillance is defined in RIPA as surveillance which is covert, but not intrusive and undertaken for the purposes of a specific investigation or operation. It involves the observation of a person or persons with the likelihood of gathering private information to produce a detailed picture of a person's life, activities and associations. Private information about a person can include information relating to their business and professional activities as well as their private or family life.

Any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent should be treated as directed surveillance. This may include covert CCTV surveillance.

Intrusive surveillance is covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device. If a device is not on premises or in a vehicle but provides information of the same quality and detail as if it were, this will be considered intrusive. Surveillance devices designed or adopted principally for the purpose of providing information about the location of a vehicle are not considered intrusive. Residential premises includes hotel or prison accommodation if being used for living accommodation plus houses, boats, barracks and so on, **but** not any common area to which a person is allowed access in connection with his or her occupation of any accommodation. Private vehicles include those for domestic, family and leisure use. It includes any vessel, aircraft or hovercraft. RIPA provides for the authorisation of covert surveillance provided it is necessary and proportionate.

- 5.3 General observation forms part of the duties of some council officers. Where an incident occurs during an officer's normal duties, which is unforeseen and an officer has to respond immediately to the situation, what the officer does will not require an authority. This 'unforeseen' activity, where an officer was merely reacting to events, does not need to be covered by the procedures in these guidance notes.
- 5.4 Generally, the provisions of RIPA do not include the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use for their own protection and to prevent crime. However, where CCTV systems are used for covert surveillance, RIPA will apply.

Application to the council

- 5.5 The council cannot carry out intrusive surveillance. These powers are reserved to bodies such as the Police and HM Revenue and Customs. If a council officer is asked by another agency to cooperate with intrusive surveillance, advice should immediately be obtained from the Shared Legal Service, who will give advice as to possible risks to and concerns for officers and equipment. Similarly, the council cannot conduct entry on, or interference with, property or with wireless telegraphy (known as 'property interference').
- 5.6 The council may however authorise directed surveillance.
- 5.7 The council may be asked to carry out directed surveillance for another agency, or may ask others to carry out surveillance on its behalf. It is for the lead agency to apply for an authorisation. When acting with another body, the operation can be covered by that authority's authorisation. However, all involved must ensure they are familiar with the terms of the authorisation.

Authorising directed surveillance and obtaining judicial approval:

The rules

- 5.8 It is crucial that all directed surveillance is properly authorised and judicially approved. No officer may commence any form of directed surveillance operation unless it is authorised and approved in accordance with this guidance. Failure to secure proper authorisation or approval and to comply with this procedure could lead to evidence being excluded by the courts and to complaints against the council. The council is subject to audit and inspection by the Investigatory Powers Commissioner's Office and it is important that we can demonstrate compliance with RIPA.

Who can authorise directed surveillance?

- 5.9 Regulations made under RIPA say that the most junior level at which authorisations can be given is by what it refers to as strategic director, director, service manager or equivalent. However, authorisations should be given by those officers set out in Appendix A. Officers named on this designated list should have full training in respect of RIPA and the considerations that must be made before granting authorisation.
- 5.10 If anyone authorised is not available, anyone holding a senior position can be delegated to authorise. Advice can also be sought from anyone senior to an authorising officer in difficult or sensitive cases, and also from the Shared Legal Service.
- 5.11 Where practicable, the authorising officer should not be directly involved in the case giving rise to the request for authorisation. Where it is not practicable for authorisation to be given by an officer who is not directly involved, this should be noted with reasons on the authorisation form.

On what grounds can directed surveillance be authorised?

- 5.12 In the case of local authorities, directed surveillance can only be authorised if it is necessary for the purpose of preventing or detecting crime and the offence(s) under investigation attracts a maximum custodial sentence of six months or more or relate to the underage sale of alcohol or tobacco.
- 5.13 It is very important to consider whether the surveillance is necessary. If the objective can be achieved by less intrusive means, which do not involve directed surveillance, then these should be used.
- 5.14 If there are no other means then this should be stated on the authorisation form.
- 5.15 The crime under investigation should be fully detailed.

Is the proposed surveillance proportionate?

- 5.16 Authority should not be given unless the person authorising the request is satisfied that the surveillance is proportionate.
- 5.17 The authorising officer should make sure that any interference with the privacy of an individual is justified by the end being sought. If the benefit to be obtained from surveillance is marginal, the person authorising should think very carefully about whether the use of surveillance is proportionate. Activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. Suggested areas to consider include prevalence of offence and other means by which the information can be obtained.
- 5.18 In addition, activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.
- 5.19 The authorisation must detail all methods that have been considered and why they have not been implemented, in order to demonstrate that full attention has been given to the proportionality of the proposed surveillance.
- 5.20 Further guidance on proportionality can be found in part 9 of Appendix B.

Is the proposed surveillance discriminatory?

- 5.21 The council is under a legal obligation to avoid either direct or indirect discrimination in carrying out its functions. As surveillance can interfere with rights contained in the European Convention on Human Rights, discrimination can also amount to a breach of the HRA. Departments need to be sensitive to this issue and ensure that they apply similar standards to seeking or authorising surveillance regardless of ethnic origin, sex or sexual orientation, disability, age and so on. They should be alert to any assumptions about people from different backgrounds which may not even be consciously held.

Will the surveillance involve 'collateral intrusion'?

- 5.22 In other words, will the surveillance intrude upon the privacy of people other than those who are the subject of the investigation? Those authorising the surveillance should be sensitive to the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefits of undertaking the surveillance. If there is considered to be a risk of collateral intrusion, consideration must be given to minimising this risk.

What is legally privileged information, personal confidential information or confidential journalistic material?

- 5.23 Confidential material is described by RIPA as being:

Regulation of Investigatory Powers Act 2000 – Guidance
(Updated 10 August 2023)

- matters subject to legal privilege
 - confidential constituent information between the MP and a constituent in respect of constituency matters
 - confidential personal information
 - confidential journalistic material.
- 5.24 Authorisations in respect of confidential material can only be granted by the Head of Paid Service (the Chief Executive Officer) and, in his absence, by his substitute.
- 5.25 A substantial proportion of communications between a lawyer and client may be subject to legal privilege. Matters subject to legal privilege must be kept separate from enforcement investigations or criminal prosecutions, as they will not be admissible in court. In the very rare circumstances where legally privileged information may be acquired and retained, the matter must be reported to the authorising officer by means of a review. The authorising officer will decide whether the authorisation should continue. The attention of the Commissioner should be drawn to legally privileged information, during the IPCO inspection and the material made available to the inspector, if requested.
- 5.26 Oral and written communications are held in confidence if subject to an express or implied undertaking to hold the communications in confidence or where such communications are subject to a restriction on disclosure or an obligation of confidentiality contained in legislation – for example, consultations between a health professional and a patient, information from a patient’s records or information relating to the spiritual counselling of a person.
- 5.27 Confidential journalistic material includes material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence, as well as communications resulting in information being acquired for the purposes of journalism and held subject to an undertaking. The attention of the Commissioner should be drawn to confidential journalistic material during the IPCO inspection and the material made available to the inspector, if requested.
- 5.28 Acquiring material in the manner referred to above is likely to be rare for the council.

Activities or operations involving directed surveillance

- 5.29 It is safest to assume that any operation that involves planned covert surveillance of a specific person or persons (including council employees) likely to obtain private information, of however short a duration, falls within the definition of directed surveillance and will, therefore, be subject to authorisation under RIPA.

- 5.30 The consequence of not obtaining an authorisation may render the surveillance action unlawful under the HRA, or any evidence obtained may be inadmissible in court proceedings.
- 5.31 It is strongly recommended that council officers seek an authorisation, where the surveillance is likely to interfere with a person's Article 8 rights to privacy. Obtaining an authorisation will ensure that the surveillance action is carried out in accordance with the law and is subject to stringent safeguards against abuse.
- 5.32 Proper authorisation of directed surveillance should also ensure the admissibility of evidence under the common law, The Police and Criminal Evidence Act (PACE) and the HRA.
- 5.33 Directed surveillance might be used, for example:
- for fraud or similar offences, where there is a need to observe premises in order to establish who the owner or occupier is, to find out who the occupier has associations with, or to establish whether or to what extent they are being used as business premises
 - where the council directs another person or organisation to act as its 'agent' for the purposes of obtaining private information – for example, where council officers specifically ask residents to maintain diary notes of nuisance, anti-social behaviour, fly-tipping or licensing conditions
 - by placing a stationary mobile or video camera outside a building or the use by officers of covert recording equipment to record suspected illegal activity, such as fly-tipping.
- 5.34 It will not be necessary to obtain authorisation for directed surveillance when using surveillance devices such as standard video cameras, still cameras, or binoculars, which are utilised on an overt basis.

Activities or operations not involving directed surveillance

- 5.35 Directed surveillance is conducted where it involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person's life, activities and associations. Private information includes any information relating to the person's private or family life.
- 5.36 However, it does not include general observation which is part of an enforcement officer's normal work.
- 5.37 General observation duties of the council's enforcement officers, whether overt or covert, frequently form part of their day to day activities and the council's legislative core functions. Such activities will not normally require a directed surveillance authorisation as the obtaining of private information is highly unlikely.

5.38 Examples of activities or operations which are unlikely to involve directed surveillance are:

- a one-off identification or confirmation of the existence of a premises address by officer observation
- anything which constitutes an immediate response – for example, a council officer with regulatory responsibilities may by chance be present when an individual is potentially infringing the law and it is necessary to observe, follow, or engage in other surveillance tactics as an instant response to the situation to gather further information or evidence. Once this immediacy has passed, however, any further directed surveillance of the individual, must be subject to a RIPA authorisation.

5.39 In circumstances where such activities or operations are considered to fall outside the scope of RIPA, it is good practice to record the reasons for this decision.

Online covert activity, including covert surveillance of social networking sites (SNS)

5.40 Wherever possible, officers should continue to adopt overt methods in seeking to achieve business compliance. However, as a result of the scale of online trading, the need to make online test purchases and investigation checks is inevitably increasing. It is therefore recognised that, from time to time, covert methods will need to be employed. Whenever it is intended to carry out covert activity online, officers must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. 'General' test purchases from an open Internet site or marketplace (such as Ebay) is unlikely to require RIPA authorisation. However, any covert activity likely to interfere with an individual's Article 8 rights should only be carried out when it is necessary and proportionate to meet the objectives of a specific case. Where it is considered that private information is likely to be obtained, a directed surveillance authorisation must always be sought, as set out elsewhere in this guidance.

Social networking sites (SNS)

5.41 A directed surveillance application will often be required where an investigator wishes to communicate covertly online via SNS. Depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain; however, in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings. In order to determine whether a directed surveillance authorisation should

be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include:

- whether the investigation or research is directed towards an individual or organisation
- whether it is likely to result in obtaining private information about a person or group of people
- whether it is likely to involve visiting Internet sites to build up an intelligence picture or profile
- whether the information obtained will be recorded and retained
- whether the information is likely to provide an observer with a pattern of lifestyle
- whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life
- whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s)
- whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

5.42 An authorisation for the use and conduct of a CHIS will also be necessary if a relationship is established or maintained by an officer or by a person acting on their behalf (that is, where activity is more than mere reading of the site's content).

5.43 It is not unlawful for officers to utilise a false identity as part of online investigations, but it is inadvisable to do so for a covert purpose without RIPA authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws. Officers must also not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorisation, and without the consent of the person whose identity is used, and without considering the protection of that person. The consent must be explicit (that is, the person from whom consent is sought must agree (preferably in writing) what is and is not to be done).

Authorising directed surveillance: the procedure applying for authorisation

- 5.44 Applications for authorisation must be made in writing on the correct form. The form to seek authorisation can be found at [GOV.UK – RIPA forms](#). A written authorisation is normally completed as far as possible by the investigating officer before being submitted to the authorising officer for approval.
- 5.45 A written application for authorisation for directed surveillance should describe in detail any conduct to be authorised and the purpose of the investigation or operation. The application should also include:
- the reasons why the authorisation is necessary in the particular case and the grounds (that is, for the purpose of preventing or detecting crime) stated in Section 28(3) of RIPA; the offence under investigation should be fully detailed
 - the reasons why the surveillance is considered proportionate to what it seeks to achieve
 - the nature of the surveillance
 - the identities, where known, of those to be the subject of the surveillance (although there is no requirement to know the identity of those who are to be the subject of the surveillance)
 - the approximate cost of the surveillance
 - the results of consultation with other enforcement agencies or community leaders
 - an explanation of the information which it is desired to obtain as a result of the surveillance
 - the details of any potential collateral intrusion and why the intrusion is justified
 - the details of any confidential information that is likely to be obtained as a consequence of the surveillance
 - the level of authority required (or recommended where that is different) for the surveillance
 - a subsequent record of whether authority was given or refused, by whom and the time and date. If the authorising officer has not granted the authorisation in full and has amended the terms of the application, this must be recorded on the application form and reasons given for the decision.

- 5.46 Each application must be given a unique reference number, which will then be used to locate the application on the central register.
- 5.47 Guidance on completing an application for authority for directed surveillance can be found in Appendix B.
- 5.48 When an authorisation has been granted, the terms of the authorisation must be followed exactly. Any deviation might lead to the authorisation being considered invalid. If, as a result of initial observations, the investigating officer wishes to deviate from the terms of the authorisation, then either a fresh authorisation or a renewal requesting revised authority must be made.
- 5.49 If the surveillance involves juveniles or vulnerable adults then special consideration should be given to the following:
- If possible, authorisation should be at the highest level. (If considering use of a juvenile or vulnerable adult as a CHIS, authorisation should not be granted unless a risk assessment has been considered covering physical dangers and psychological aspects. Use of an appropriate adult should be considered.)
 - No authorisation can be granted to use a source under age 16 years to give information against his or her parents.

The judicial approval process

- 5.50 Once an application has been authorised by an authorising officer, it will not take effect until it has been approved by a Justice of the Peace (JP).
- 5.51 The process for seeking judicial approval is as follows:
- The local authority must contact HMCTS to arrange a hearing.
 - The JP should be provided with a copy of the authorisation or notice, all supporting documentation and a partially completed judicial approval or order form. (The original authorisation or notice should be shown to the JP at the hearing.)
 - A hearing will take place in private, usually attended by the case investigator, who will be best placed to answer the JP's questions about the investigation. However, in some cases, for example where there are sensitive issues, it may be appropriate for the authorising officer to attend to answer questions.
 - The JP will consider the application and record his or her decision on the order section of the application or order form.

5.52 The JP may decide to:

- approve the grant or renewal of the authorisation or notice
- refuse to approve the grant or renewal of the authorisation or notice
- refuse to approve the grant or renewal and quash the authorisation or notice.

5.53 The form for seeking judicial approval is incorporated into the application forms available at [GOV.UK – RIPA forms](#).

Duration of authorisations

5.54 A written authorisation granted by an authorising officer will cease to have effect (unless renewed) at the end of a period of three months beginning with the day on which it took effect. An authorisation cannot be granted for a period of less than three months. However, it should be noted that all authorisations must be cancelled as soon as the decision is taken that directed surveillance should be discontinued.

Reviews

5.55 Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion. If a minor change has occurred in the investigation, then these can be dealt with by way of review. If the scope of the investigation has changed then a fresh authorisation is required.

5.56 In each case, authorising officers within the council should determine how often a review should take place. This should be as frequently as is considered necessary and practicable, but at no longer than monthly intervals. The review form is available at [GOV.UK – Review of use of directed surveillance](#).

Renewals

5.57 If at any time before an authorisation would cease to have effect, the authorising officer considers it necessary for the authorisation to continue for the purpose for which it was given, he or she may renew it in writing for a further period of three months. Renewals must also be judicially approved, following the process outlined in paragraph 5.56 above.

5.58 A renewal takes effect at the time at which, or day on which, the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end, but taking into consideration that time must be allowed for obtaining judicial approval. Any person who would be entitled to grant a new authorisation can renew an

authorisation. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.

5.59 All applications for the renewal of an authorisation for directed surveillance should be made on the renewal form available on the intranet and should record:

- whether this is the first renewal or every occasion on which the authorisation has been renewed previously
- any significant changes to the information given in the original application for authorisation
- the reasons why it is necessary to continue with the directed surveillance
- the content and value to the investigation or operation of the information so far obtained by the surveillance
- whether any privileged material or confidential information was obtained as a result of activity undertaken under the authorisation, to which the safeguards in chapter 9 of the code of practice should apply
- the results of regular reviews of the investigation or operation.

5.60 Authorisations may be renewed more than once, if necessary, and the renewal should be kept or recorded as part of the central record of authorisations (see paragraphs 5.66 to 5.67).

Cancellations

5.61 The authorising officer who granted or last renewed the authorisation must cancel it if he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the authorising officer is no longer available, this duty will fall on the person who has taken over the role of authorising officer. If in doubt about who may cancel an authorisation, please consult the Shared Legal Service. Cancellations are to be effected by completion of the cancellation form available on the intranet.

5.62 It is essential that there is a completed cancellation for each authorisation once surveillance has been completed. An authorisation cannot simply be left to expire.

5.63 As soon as any decision is taken to discontinue surveillance, instruction must be given to those involved to stop all surveillance. The date and time of such an instruction must be included in the Notification of Cancellation form.

5.64 The date the authorisation was cancelled should be centrally recorded and documentation of any instruction to cease surveillance should be retained.

It is also good practice to retain a record of the product obtained from the surveillance and whether or not objectives were achieved. The authorising officer should give directions on the handling, storage or destruction of the product of surveillance.

Record keeping and central record of authorisations

5.65 In all cases in which authorisation of directed surveillance is given, the individual department is responsible for ensuring that the following documentation is kept securely for a period of at least five years from the date of authorisation:

- a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorising officer
- a copy of the judicial approval application form or order
- a record of the period over which the surveillance has taken place
- the frequency of reviews prescribed by the authorising officer
- a record of the result of each review of the authorisation
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested
- the date and time when any instruction was given by the authorising officer
- a copy of the cancellation document.

5.66 In addition, the following must be sent to the Shared Legal Service immediately upon completion:

- all completed forms authorising and approving directed surveillance
- all completed forms authorising and approving renewal of directed surveillance
- all judicial approval application forms or orders
- all completed forms cancelling directed surveillance.

5.67 These will be held securely by the Shared Legal Service and form part of a central record of authorisations. Each application will be accessible by virtue of its unique reference number. The Senior Responsible Officer, assisted by the Service Manager (Legal and Governance Service) will review the central record on a bi-monthly basis and complete a central record of authorisations in accordance with paragraph 8.1 of the Code of Practice on Covert Surveillance. The central record should be available for

inspection by the Investigatory Powers Commissioner's Office upon request.

6. Surveillance operations not regulated by RIPA

- 6.1 The Regulation of Investigatory Powers Act 2000 (RIPA) aims to ensure that covert surveillance carried out for the purposes of a specific investigation or operation is undertaken in a manner which is human rights compliant. This is achieved through a system of self authorisation by senior officers, who have to be satisfied that the surveillance is necessary and proportionate to what is sought to be achieved, followed by judicial approval.
- 6.2 Local authorities are only required to seek authorisations under RIPA for covert surveillance carried out for the purposes of preventing or detecting crime. No RIPA authorisations can be sought for covert surveillance being undertaken for other purposes. Nor should they be sought for crime prevention or detection purposes, if that purpose is not linked to one of the authority's regulatory functions. This was stated by the Investigatory Powers Tribunal in the case of *C v The Police and the Secretary of State for the Home Department* (14 November 2006, No: IPT/03/32/H), who held that surveillance of employees is unlikely to be for a regulatory function of the authority.
- 6.3 This means that there may be circumstances when the local authority wishes to carry out surveillance and will not be able to rely on a RIPA authorisation (for example, surveillance of employees). Not being able to seek an authorisation under RIPA means there is a greater risk of a human rights challenge, as privacy rights under Article 8 are likely to be interfered with. This can be reduced by following a self-authorisation process using a RIPA authorisation form as guidance. A Non-RIPA authorisation form can be found on the intranet [RIPA](#) page.
- 6.4 The authorising officer should consider the same issues as if he were responding to a request under RIPA, particularly the necessity of the operation, whether it is proportionate and whether there are any other methods of obtaining the information. If there is any doubt as to the issue of a local authority regulatory role and its ordinary functions, then advice should be sought from the shared legal service.
- 6.5 When considering surveillance of employees, it is also important to ensure compliance with the General Data Protection Regulation and Data Protection Act 2018.

7. Covert human intelligence sources

Authorising use of covert human intelligence sources (CHIS)

- 7.1 Similar principles and procedures apply to authorising the use of covert human intelligence sources. The use of CHIS is also subject to judicial approval and the process outlined at paragraph 5.47 should be followed.

- 7.2 Officers' attention is drawn to the explanation of the nature of a covert human intelligence source in paragraph 1.7. If necessary, forms available at [GOV.UK – RIPA forms](#) can be utilised to authorise the use of a CHIS.
- 7.3 The considerations for authorising a CHIS are broadly similar to those of directed surveillance, but there are some additional matters which must be considered.
- 7.4 There are rules about the use of vulnerable adults or juveniles as sources and there are also special requirements with regard to the management, security and welfare of sources. Refer to the Covert Human Intelligence Sources Code of Practice for detailed guidance.
- 7.5 In summary:
- when deploying a source, the council should take into account the safety and welfare of that source, when carrying out actions in relation to an authorisation or tasking, including the foreseeable consequences to others, of that tasking
 - before authorising the use or conduct of a CHIS, the authorising officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences, should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset
 - the person responsible for the day to day management of the source's welfare and security (for example, departmental manager) will bring to the attention of the authorising officer any concerns about the personal circumstances of the source, insofar as they might affect:
 - the validity of the risk assessment
 - the conduct of the source
 - the safety and welfare of the source.
- 7.6 Where deemed appropriate, the concerns about such matters should be considered by the authorising officer and a decision taken on whether or not to allow the authorisation to continue.
- 7.7 In addition to the appointment of the required roles of handler and controller as part of a CHIS operation, a separate person within the authority should be appointed to oversee the use made of CHIS. The Senior Responsible Officer (SRO) has assumed this role.
- 7.8 The records kept by the authority should be maintained so as to protect the confidentiality of the source and the authorising officer must ensure there is a satisfactory risk assessment in place.

Activities or operations involving CHIS

- 7.9 If a department is considering the use of a CHIS, advice must be sought from the SRO or the shared legal service.

Activities or operations not involving CHIS

- 7.10 The following situations will not normally require a relationship to be established for the covert purpose of obtaining information and therefore do not involve a CHIS:
- one-off test purchase transactions carried out in the normal course of business, where enforcement officers are operating as would a member of the public and do not establish a personal or other relationship. For example, the purchase of a food item for subsequent expert examination would not require authorisation, but where the intention is to ascertain whether a trader is taking delivery of suspected unlawful supplies and a relationship is established between the trader and the officer, then authorisation should be sought beforehand
 - the task of ascertaining purely factual information – for example, the location of vending machines or fruit machines in licensed premises
 - where members of the public volunteer information to an officer as part of their normal duties
 - where the public call telephone numbers set up by the council to receive information
 - where members of the public are asked to keep diaries of incidents in relation to anti-social behaviour – however, such activity will be regarded as directed surveillance, requiring an authorisation.
- 7.11 In circumstances where such activities or operations are considered to fall outside the scope of RIPA, it is good practice to record the reasons for this decision.

8. Accessing communications data

Introduction

- 8.1 Since 5 January 2005, RIPA has regulated access to communications data. This is defined in paragraph 1.7. These guidance notes should be read in conjunction with the current code of practice issued under Section 71 of RIPA. Copies of the code are available at [GOV.UK – RIPA codes](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/281222/GOV.UK_-_RIPA_codes.pdf).

Application to the council

- 8.2 The council is only entitled to seek the acquisition of communications data defined as service user information and subscriber information (see paragraph 1.7 for definition). The council is not authorised to acquire what is defined as traffic data (see paragraph 1.7).

Acquisition of communications data: The interception of postal, telephone, email and other electronic communications

- 8.3 It is an offence to intercept communications sent by public postal services and public telecommunications systems except in very specific circumstances. It can be an offence to intercept communications sent by private telecommunications systems.
- 8.4 It is unlikely that the council would wish to intercept communications of this nature, even if it could do so legally. In the very unlikely event that you are considering intercepting communications, you should take no steps to do so before seeking advice from the SRO or Shared Legal Service.
- 8.5 There may be circumstances in which it is appropriate and legitimate to intercept communications sent and received by employees. However, once more, great care needs to be taken, not only in respect of RIPA, but in respect of employment law and human rights issues. You should not intercept communications sent by or received by employees without first seeking advice from the Director (HR, Governance and Regulatory) or the Service Manager (HR, Payroll, Learning and Development and Health and Safety).

Authorising the acquisition and disclosure of communications data and obtaining judicial approval

- 8.6 It is crucial that the acquisition of communications data is properly authorised and judicially approved. No officer may seek the acquisition of any form of communication data unless he is authorised and the application approved in accordance with this guidance. Failure to secure proper authorisation and approval and to comply with this procedure could lead to evidence being excluded by courts and complaints against the council. The council is subject to audit and inspection by the Investigatory Powers Commissioner's Office and it is important that we demonstrate compliance with RIPA.
- 8.7 Acquisition of communications data under RIPA involves four roles:
- the applicant
 - the designated person
 - the single point of contact (SPoC)
 - the Senior Responsible Officer.

8.8 RIPA provides two alternative means for acquiring communications data by way of:

- an authorisation under Section 22(3)
- a notice under Section 22(4).

The applicant

8.9 The applicant is a person involved in conducting an investigation or operation who makes an application in writing or electronically for the acquisition of communications data. The applicant should complete an application form setting out for consideration by the designated person the necessity and proportionality of the specific requirement for acquiring communications data.

The designated person

8.10 The designated person is a person holding a prescribed office in the same public authority as the applicant. Authorisations and notices to acquire communications data should ordinarily be given only by those officers set out in Appendix A who are specifically designated to approve applications for the acquisition of communications data.

8.11 The designated person must consider the application and record his considerations at the time in writing or electronically. If the designated person believes it is appropriate in the specific circumstances of the case, an authorisation may be granted or a notice given. Designated persons should assure that they grant authorisations or give notice only for purposes and only in respect of types of communications data that a designated person of their office, rank or position and the relevant public authority may give or grant. Designated persons shall assess the necessity for any conduct to acquire or obtain communications data, taking account of any advice provided by the single point of contact (SPoC).

8.12 Designated persons must not be responsible for granting authorisations or giving notices in relation to investigations or operations in which they are directly involved. If it appears unavoidable or it is necessary to act urgently or for security reasons then a designated person may grant an authorisation or notice in relation to an investigation in which they are directly involved but the reason why such person was required to authorise that particular case, should be noted on the application form and this must be notified to the Commissioner.

8.13 Designated persons should have undertaken some training in relation to human rights principles and have current working knowledge of the rules and requirements of RIPA and the use of this guidance.

The single point of contact (SPoC)

- 8.14 The single point of contact (SPoC) is either an accredited individual or a group of accredited individuals trained to facilitate lawful acquisition of communications data and effective cooperation between a public authority and a communications service provider. To become accredited, an individual must complete a course of training appropriate for the role of a SPoC. An accredited SPoC promotes efficiency and good practice in ensuring any practical and lawful requirements for communications data are undertaken. The SPoC provides objective judgment and advice to both the applicant and the designated person; in this way the SPoC provides a guardian and gatekeeper function ensuring that public authorities act in an informed and lawful manner.
- 8.15 The council is a member of the National Anti-Fraud Network (NAFN). NAFN is a 'One Stop' data and intelligence provider for all public bodies. As part of its portfolio, it offers a comprehensive SPoC service.

The Senior Responsible Officer

- 8.16 The Senior Responsible Officer role is set out at paragraphs 4.1 to 4.4 above.

On what grounds can the acquisition of communications data be authorised?

Is the proposed request for the acquisition of communications data necessary?

- 8.17 In the case of local authorities, acquisition and disclosure of communications data can only be authorised if it is necessary for the purpose of preventing or detecting crime or preventing disorder. It is extremely important to consider whether the acquisition of the particular communications data is necessary. If an investigation can be carried out by means which do not involve such acquisition, then these should be used. If there are no other means, then this should be stated on the authorisation form.

Is the proposed request for the acquisition of communications data proportionate?

- 8.18 Authority to acquire communications data should not be given unless the person authorising the request is satisfied that the application is proportionate. The designated person should make sure that any interference with the privacy of an individual is justified by the end being sought. If the benefit to be obtained from acquiring communications data is marginal, the person authorising should think very carefully about the use of such an investigation technique. Activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

- 8.19 Suggested areas to consider include the seriousness of the offence, the expense of the operation and other means by which the information could be obtained. In addition, activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

Might the acquisition of communications data involve collateral intrusion?

- 8.20 The designated person needs to consider whether the application might intrude upon the privacy of people, other than those who are the subject of the investigation. The designated person should be sensitive to the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefit of the investigation. If there is considered to be a risk of collateral intrusion, consideration must be given to minimising this risk during the authorisation process.

The procedure - applying for authority to acquire communications data

- 8.21 Applicants and designated persons (DP) must submit, approve and track applications through the central NAFN website, using the NAFN online forms. An allocated SPoC will then check for legal compliance and, where necessary, provide feedback before submitting for final authorisation from the DP.

Once an application is authorised by the DP, it must be subject to judicial approval. NAFN will provide the applicant with a 'Court Pack' containing:

- final case application
- judicial application or order form
- relevant assurance(s), authorisation(s) and/or notice(s).

- 8.22 These documents will enable the applicant to present their application at court.

If the application is approved, all documentation must be returned to NAFN for subsequent processing via the secure online system. The NAFN SPoC administers all requests promptly to obtain the data required. Results are uploaded to the secure website for retrieval, with all aspects of administration covered by NAFN, including the tracking of reportable or recordable errors, cancellations and withdrawals.

- 8.23 The application should describe in detail the communications data to be acquired and the purpose of the investigation operation. The application should also include:

- the name
- the office, rank or position held by the person making the application

- the operation name to which the application relates
- a unique reference number
- the specific purpose for which the data is required
- a description of the communications required specifying where relevant
- any historic or future date and where appropriate time periods
- an explanation as to why the acquisition of that data is considered
- necessary and proportionate and what is thought to be achieved by acquiring it
- consideration of any meaningful collateral intrusion and why that intrusion is justified in the circumstances
- an identification and explanation of the timescale within which the data is required
- an assessment by the SPOC
- a record of whether it was approved or not by a designated person, by whom and when the decision was made.

8.24 An authorisation provides for persons within a public authority to engage in specific conduct relating to a postal service or telecommunications system to obtain communications data. An authorisation may be appropriate where a communications service provider is not capable of obtaining or disclosing communications data or a designated person believes the investigation or operation may be prejudiced if the communications service provider is required to obtain or disclose the data or there is an agreement in place between the public authority and a communication service provider relating to appropriate mechanisms for disclosure of communications data or a designated person considers there is a requirement to conduct a telephone subscriber check but the communications service provider as yet to be conclusively determined as the holder of the communications data. The authorisation is not served upon a communications service provider, although there may be circumstances where the provider may require or may be given assurance that conduct being undertaken is lawful. That assurance may be given by disclosing details of the authorisation itself.

Notices

8.25 The giving of a notice is appropriate where a communications service provider is able to retrieve or obtain specific data and to disclose that data unless the grant of an authorisation is more appropriate. A notice may require a communications service provider to obtain any communications data if that data is not already in their possession. The decision of a

designated person whether to give a notice shall be based upon information presented to them in an application. The notice should contain enough information to allow the communications service provider to comply with the requirements of the notice. A notice must:

- be given in writing or, if not, in the manner that produces a record of its having been granted
- specify the purpose for which the notice has been given
- describe the communications data to be obtained or disclosed under the notice specifying where relevant, any historic or future date and, where appropriate, time periods
- include an explanation that complies with the notices as a requirement of RIPA
- specify the office, rank or position held by the designated person and the designated person's name should also be recorded
- specify the manner in which the data should be disclosed; the notice should contain sufficient information to enable a communications service provider to confirm the notice is authentic and lawful
- record the date and when appropriate to do so at the time when the notice was given by the designated person
- where appropriate, provide an indication of any urgency or time within which the communications service provider is requested to comply with the requirements of the notice. In giving notice, a designated person may only require a communications service provider to disclose the communications data to the designated person or a specified person working within the same public authority.

Duration of authorisations and notices

- 8.26 Relevant to all authorisations and notices is the date upon which the authorisation or notice takes effect, which is the date on which judicial approval is given. From that date when the authorisation or notice becomes valid, it has a validity of a maximum of one month; this means that the conduct authorised should have been commenced or the notice served within that month. All authorisations and notices must relate to the acquisition or disclosure of data for a specified date or period. Any periods should clearly be indicated in the authorisation or notice. A start date and end date should be given and where a precise start and end time are relevant; these must be specified. Where an authorisation or notice relates to the acquisition or obtaining of specific data that will or may be generated in the future, the future period is restricted to no more than one month.

Renewal of authorisations and notices

- 8.27 Any valid authorisation or a notice may be renewed for a period of up to one month by the grant of a further authorisation or the giving of a further notice and again judicial approval must be obtained before the renewal can take effect. A renewed authorisation or notice takes effect upon the expiry of the authorisation or notice it is renewing. The reasoning for seeking renewal should be set up by an applicant in an addendum to the application upon which the authorisation or notice being renewed was granted or given. The designated person should give careful consideration to renewal of an authorisation or notice and should:
- consider the reasons why it is necessary and proportionate to continue with the acquisition of the data being generated
 - record the date and when appropriate to do so the time when the authorisation or notice is renewed.
- 8.28 The designated person should specify the shortest period in which the objective for which the data is sought can be achieved. To do otherwise would impact on the proportionality of the authorisation or notice and impose unnecessary burden on a communications service provider.

Cancellations and withdrawals

- 8.29 A designated person who has given notice to a communications service provider shall cancel the notice if at any time after giving the notice, it is no longer necessary for the communications service provider to comply with the notice or the conduct required by the notice is no longer proportionate to what is sought to be achieved. Equally, where a designated person considers an authorisation shall cease to have effect because the conduct authorised becomes unnecessary or no longer proportionate to what is sought to be achieved, the authorisation shall be withdrawn. The communications service provider should be advised of the withdrawal of an authorisation.
- 8.30 Cancellation of a notice must:
- be undertaken in writing
 - be identified by reference to its unique reference number, the notice being cancelled
 - record the date and, when appropriate to do so, the time when the notice was cancelled
 - specify the office rank or position held by the designated person cancelling the notice.
- 8.31 Withdrawal of an authorisation should:

- be undertaken in writing
- be identified by reference to its unique reference number, the authorisation being withdrawn
- record the date and, when appropriate to do so, the time when the authorisation was withdrawn
- record the name, the office, rank or position held by the designated person withdrawing the authorisation.

Keeping of records

- 8.32 Completed original documents must be retained centrally by the SPOC, in written or electronic form, for a period of at least three years from the date of authorisation. The documents should be classified and stored securely in accordance with the government protected marking scheme. In addition, a record should be kept of the date and, when appropriate to do so, the time when each notice or authorisation is given or granted, renewed or cancelled. These records should be available for inspection by the Investigatory Powers Commissioner's Office upon request. (The retention of documents is a service provided by NAFN.)
- 8.33 On an annual basis, the SRO must send to the Investigatory Powers Commissioner's Office, information as to the number of applications submitted to the designated person, the number of notices issued, number of authorisations issued and the number of times an urgent notice is given orally.

Errors

- 8.34 Proper application of the contents of this guidance should reduce the scope for making errors but if an error occurs in the grant of an authorisation or the giving of a notice or as a consequence of any authorised conduct or any conduct undertaken to comply with a notice, a record should be kept and a report made to the Commissioner. (The recording and reporting of errors is a service provided by NAFN.)

9. Complaints

- 9.1 Where any person expresses their dissatisfaction with a surveillance operation carried out by the council or with a communications data issue and they are either unwilling to accept an explanation or are dissatisfied with the explanation offered or they wish to complain about any other aspect of the council's operations under RIPA, they must be informed of the existence of the Investigatory Powers Tribunal.
- 9.2 Every assistance shall be given to the person to complain to the council's Corporate Complaints Officer or to make contact with the tribunal and make their dissatisfaction known to it.

9.3 The address for the Investigatory Powers Tribunal is:

PO Box 33220
London
SW1H 9ZQ

Telephone: 0207 035 3711

Website: <https://investatorypowerstribunal.org.uk/>

9.4 These procedures are mutually exclusive.

Appendix A

Senior Responsible Officer	Officers authorised to approve applications for directed surveillance and CHIS	SPoC services
Jennifer Eves, Director (HR, Governance and Regulatory)	<p>Ian Gallin, Chief Executive</p> <p>Jennifer Eves, Director (HR, Governance and Regulatory)</p> <p>Alex Wilson, Strategic Director</p>	NAFN

Appendix B: Guidance on completing application for authority for directed surveillance

Read this guide in conjunction with the model RIPA form. The level of detail officers need to complete the form is crucial. It is important to include as much information as is known, otherwise the application may not be authorised.

Applicants must be familiar with the contents of the full guidance notes.

- Applicant: is the officer applying for authority to carry out directed surveillance
- Unit or team: team where applicant works
- Full address: The applicant's base, either county hall or other
- Contact details: Contact details of the applicant, including telephone and email
- Operation name: only if one has been assigned
- Unique reference number: to be included on every form.

Details of application

Part 1 – Level of authority

See Appendix A of procedure guide. In case of urgency, and a person detailed in Appendix A not being available, then seek guidance or seek advice from the Shared Legal Service.

Part 2 – Give an account of the investigation or operation

Details of the investigation to date. Brief clear specifics. Full details of the crime being investigated must be included.

Part 3 – Action to be authorised, including any premises or vehicles involved

What form is the surveillance to take and why? For example, will it be mobile surveillance or from an observation point or van? Description of activities planned needed. Full details of dates, times, officer numbers involved and equipment to be used must be noted as far as is possible.

Part 4 – The identities, where known, of those to be subject of the directed surveillance

Sometimes not known and identifying those involved in an activity can be the reason for surveillance. If identities are not known, then it should be so stated. The premises and/or vehicles to be targeted should be identified here in detail.

Part 5 – Explanation of the information which it is desired to obtain as a result of the authorisation

What is the key objective(s) of the surveillance?

Parts 6 and 7 – Grounds on which action is necessary

The application must show that the directed covert surveillance is considered necessary in the proposed operation. All other methods of investigation not requiring covert surveillance must be detailed and reasons given for why they are not to be used.

The officer must detail why covert surveillance is the only method by which the information required can be obtained.

Part 8 – Collateral intrusion

Having identified who, what and where you want to carry out surveillance, you should also consider who else might be affected. Will the private life of others be affected in some way? You must show that you have considered this and have planned how to minimise the intrusion.

Part 9 – Explain why directed surveillance is proportionate to what it seeks to achieve

The application should only be authorised if it demonstrates that activity to be carried out is proportionate to what it seeks to achieve. Full reasons must be given as to why the methods to be employed are not disproportionate (that is, not a 'sledgehammer to crack a nut'). This includes detailing not only why covert surveillance must be used rather than any other method of investigation, but also stating that the method to be used is the least intrusive way of obtaining the information. It is not enough to rely on the seriousness of the offence or the cost of employing other methods.

All forms **must** address the following points:

- The size and scope of the investigation must be weighed against the gravity and extent of the crime under investigation.
- An explanation of how and why the methods to be adopted will cause the least possible intrusion on the target and others.
- It must be shown that activity planned is the only reasonable way, having considered all others, of obtaining the necessary information.
- Details of all other methods considered and why they were not implemented.

Part 10 - Confidential material

Are you likely to come across material relating to communications between a lawyer and client, or personal information relating to physical or mental health or spiritual counselling (communication between an individual and minister of religion), or confidential journalistic material?

This should be considered and highlighted. If such material is likely, then the level of authorisation required rises. If there is any doubt, advice must be sought from the Shared Legal Service.

Authorisation

Parts 12 and 13 - Authorising officer's statement

The authorising officer must give the information requested and state in writing that he is satisfied, or why he believes that activities to take place are necessary and proportionate (see previous explanations of these matters).

The proportionality of activity must take into account any possibility of collateral intrusion.

All such activity subject to the authorisation must not be considered arbitrary or unfair. The authorising officer must record that he has considered these matters and is satisfied the surveillance should still be authorised. If the authorising officer is not satisfied that enough detail has been provided, he should refuse the application. If the authorising officer disagrees with certain aspects of the proposed activity, he should mark this clearly on the form as unauthorised.

Appendix 3: Flow charts

Available on the intranet [RIPA](#) page.

- RIPA
- Determining Directed Surveillance
- Determining CHIS

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Detailed guidance on the use of social media in investigations (to be viewed in conjunction with RIPA guidance)

1 Introduction

- 1.1 If an officer during an investigation, deems it necessary and proportionate to use Open-Source Research or collate Open-Source Information (and such investigation does not meet the crime threshold for authorisation via RIPA), such use must be subject to adequate consideration and authorisation(s) which will depend upon the activity being undertaken. This guidance sets out how the Council may use social media when conducting investigations into alleged offences.
- 1.2 The aim of this guidance is to ensure that information gathering, investigations or surveillance involving the use of social media are conducted lawfully and correctly in accordance with an individual's human rights and with due consideration of relevant legislation including:
- the Human Rights Act 1998 (HRA);
 - the Data Protection Legislation (the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR) as amended, replaced or superseded from time to time. This definition includes any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then any successor legislation to the GDPR or the DPA, and all guidance, standards and codes of practice published by the Information Commissioner's Office, or any replacement body, which relate to data protection); and
 - the Regulation of Investigatory Powers Act 2000 (RIPA) together with the published codes of practice from the Home Office, Investigatory Powers Commissioner's Office (IPCO), formerly the Office of Surveillance Commissioners (OSC), and the Information Commissioner's Office.
- 1.3 Use of social media in investigations refers to any instance where an officer accesses social media as described to gather evidence formally or informally for any kind of investigation.
- 1.4 This guidance covers external investigations, which could also apply to internal staff that may be subject to an investigation. Advice should be taken from HR should an investigation involve a member of staff.

2 What is meant by 'Social media' for the purposes of this guidance

2.1 Social media will always be a web-based service that allows individuals and/or businesses to construct a public or semi-public profile (also known as social network services or "SNS") and will often have some, or all, of the following characteristics;

- the ability to show a list of other users with whom they share a connection; often termed "friends" or "followers,"
- the ability to view and browse their list of connections and those made by others within the system, and /or

- hosting capabilities allowing users to post audio, photographs and/or video content that is viewable by others

2.2 Some current examples of the most popular forms of social media, and therefore the most likely to be of use when conducting investigations, include: Facebook, Twitter, Instagram, LinkedIn and YouTube.

3 Privacy Settings

3.1 Just because other people may also be able to see it or access the information, does not necessarily mean that a person has no expectation of privacy in relation to that information.

3.2 The fact that digital investigation is routine or easy to conduct does not mean that relevant legislation should not be considered. Care must be taken to understand how the social media website in question operates. Any officer using social media for investigation must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

3.3 Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information, and even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as “open source” or publicly available; the author has a reasonable expectation of privacy if access controls are applied. In some cases, data may be deemed private communication still in transmission (instant messages for example).

3.4 Council officers **should not** attempt to circumvent privacy settings and view an individual’s information on multiple occasions unless authorisation has been sought under RIPA. Such attempts may include, but are not limited to;

- sending “friend” or “follow” requests to the individual;
- setting up or using bogus social media profiles in an attempt to gain access to the individual’s private profile;
- contacting the individual through any form of instant messaging or chat function requesting access or information;
- asking family, friends, colleagues or any other third party to gain access on their behalf, or otherwise using the social media accounts of such people to gain access; and /or
- using any other deceptive or misleading method

3.5 By setting their profile to private, a user does not allow everyone to access and use their content. This **does not**, however, extend to instances where a third party takes it upon themselves to share information which originated on a private profile on their own social media profile. For example:

*Person A publicises on their private social media page that they intend to throw a party, at which they will be selling alcohol and providing other forms of licensable activities, despite not having a licence from the Council to do so. Person B, who “follows” Person A’s Social media page, re-publishes this information on their public Social media page. The information on Person A’s profile **cannot** be used, however the same information on Person B’s profile, can.*

3.6 Where privacy settings are available but not applied the data **may** be considered “open source” or publicly available (i.e., there is a reduced expectation of privacy). However, in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether the social media user has sought to protect such information by restricting its access by activating privacy settings. **Multiple and systematic viewing of the information would therefore require a RIPA authorisation.**

3.7 When the use of social media is allowed or not allowed:

What is allowed	What is not allowed
Using different social media platforms to gather information that is publicly available	Sending “friend” or “follow” requests, set up a profile in an attempt to gain access to the individual’s private profile or ask family, friends, colleagues or any other third party to gain access without a RIPA Authorisation
Viewing publicly available postings or websites where the person viewing does not have to register a profile, answer a question, or enter any significant correspondence in order to view. E.g., a typical trader’s website.	Repeated and/or regular viewing (more than 2 or 3 times) to the extent that it may be perceived as monitoring of “open source” content without a RIPA authorisation.
Using information posted on a public profile without RIPA Authorisation	Repeated and/or regular viewing (more than 2 or 3 times) of “open source” content without a RIPA authorisation.
Viewing postings on social networks where the viewer has had to register a profile but there is not otherwise a restriction on access. This would include Facebook where there is no need to be accepted as a “friend” to view. E.g.: Trader has a “shop window” on Facebook advertising a business and products.	Even in these circumstances, it is possible that a mixture of private and business material is displayed, and the ECHR has construed the way a business is run as being private information. The conditions regarding repeat visits are therefore relevant and may require a RIPA authorisation.
	Viewing postings on social networks which require a “friend” or similar status to view.
Using social media for surveillance with a RIPA authorisation where the investigation is unusual and /or is likely	Making contact through social media without a CHIS authorisation

to capture confidential information and the risks to privacy have been assessed as being proportionate and justified.	
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4 Regulation of Investigatory Powers Act 2000 (RIPA)

4.1 This guidance should be read in conjunction with the Council's Procedural Guidance: RIPA Covert Surveillance & Covert Human Intelligence Sources (RIPA Procedural Guidance).

4.2 RIPA issues do not normally arise at the start of any investigation which involves accessing "open source" or publicly available material but what may begin as a lawful overt investigation can drift into covert surveillance which falls into the legislation.

4.3 Repeat and/or regular viewing of publicly available social media sites as opposed to one off viewing may constitute directed surveillance and require authorisation under RIPA / other legislation. A person's social media profile should not, for example, be regularly monitored without a RIPA authorisation. If you feel further viewing (i.e. more than twice) is necessary for an investigation you should refer to the RIPA Procedural Guidance and seek advice from an Authorising Officer. It is important to note that RIPA authorisations have to pass a serious crime threshold, i.e., there must be an offence which is being capable of being punished by imprisonment of six months or more.

4.4 In the case of viewing material related to Council officers, authorisation should be sought under the Council's policy for Covert Monitoring of Employees.

4.5 Where an officer intends to engage with others online using a false identity and establish / maintain a relationship without disclosing his or her identity, a CHIS authorisation may be required.

5 General Considerations

5.1 For those individuals/businesses who do have a public profile on social media, data posted can be viewed, recorded and possibly used as evidence e.g., photographs, video content, messages or status.

5.2 Only information that is relevant to the investigation at hand, and goes some way toward proving the offence, issue or child protection concern, should be gathered. Information about third subjects should be kept to a minimum.

5.3 Please note that the location and identity of an officer conducting a search can be easily traced, and the profiles can be flagged as a 'suggested friend'.

5.4 Officers should evaluate findings objectively and ensure that they are sure of the source and can rely on the information obtained.

6 Record Keeping

6.1 Where evidence takes the form of any readable or observable content, such as text, status updates or photographs, it is acceptable for this to be copied directly from the site or captured via a screenshot and copied onto a relevant electronic system. If necessary, audio or video content can be captured.

6.2 When capturing evidence from a public social media profile, steps should be taken to ensure that all relevant aspects of that evidence are recorded effectively and noted in the investigation case notes. This would include, for example, the officer conducting the research, the reason for doing so and information obtained and why it was necessary and also the time, date and status update should be visible on any screenshots.

6.3 When capturing evidence from a social media profile, steps should be taken to minimise the risk of collecting third party personal or private details alongside that of the person under investigation / suspected offender's, either before capturing the evidence, or subsequently through redaction.

6.4 Where relevant records are obtained during an investigation, they should not be destroyed but kept for as long as they are needed. They should be retained in accordance with the requirements of the Data Protection Legislation, the Freedom of Information Act 2000, Criminal Procedures and Investigations Act 1996 (i.e., consider using the evidence obtained in a sensitive unused material schedule) and any other legal requirements.

7 Review

This guidance will be reviewed regularly to ensure that it remains current and compliant with relevant legal requirements and best practice guidance, as part of the wider reviews of RIPA guidance.

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Performance and Audit Work Programme 2023 to 2024

Report number:	PAS/WS/23/022	
Report to and date(s):	Performance and Audit Scrutiny Committee	28 September 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
23 November 2023 (Time: 5.00pm)		
Venue: Council Chamber, West Suffolk House, Bury St Edmunds		
Ernst and Young - External Audit Plan and Fees 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)	
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 - Considered on 28 September 2023	Director (Resources and Property)
Draft 2022 to 2023 Statement of Accounts Considered on 28 September 2023	Director (Resources and Property)
Ernst and Young – Auditors Annual Report 2022 to 2023	Director (Resources and Property)