

Performance and Audit Scrutiny Committee



Title	Agenda											
Date	Thursday 25 January 2024											
Time	5.00 pm											
Venue	Conference Chamber West Suffolk House Western Way Bury St Edmunds, Suffolk, IP33 3YU											
Full Members	<p style="text-align: center;">Chair Peter Armitage Vice Chair Frank Stennett</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Conservative Group (5)</td> <td style="width: 33%;">John Augustine Mike Chester Nick Clarke</td> <td style="width: 33%;">Ian Houlder Karen Richardson</td> </tr> <tr> <td>Independents (4)</td> <td>Richard Alecock Andy Neal</td> <td>Frank Stennett Phil Wittam</td> </tr> <tr> <td>Progressive Alliance Grouping (3)</td> <td>Peter Armitage Janne Jarvis</td> <td>Sue Perry</td> </tr> </table>			Conservative Group (5)	John Augustine 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 style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Conservative Group (2)</td> <td style="width: 33%;">John Griffiths</td> <td style="width: 33%;">Marion Rushbrook</td> </tr> <tr> <td>Independents (2)</td> <td>Jools Savage</td> <td>Don Waldron</td> </tr> <tr> <td>Progressive Alliance Grouping (2)</td> <td>Pat Hanlon</td> <td>Liz Smith</td> </tr> </table>			Conservative Group (2)	John Griffiths	Marion Rushbrook	Independents (2)	Jools Savage	Don Waldron	Progressive Alliance Grouping (2)	Pat Hanlon	Liz Smith
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Independents (2)	Jools Savage	Don Waldron										
Progressive Alliance Grouping (2)	Pat Hanlon	Liz Smith										
By invitation	Diane Hind	Portfolio Holder for Resources										
Interests – declaration and restriction on participation	Members are reminded of their responsibility to declare any disclosable pecuniary interest, other registerable or non-registerable interest which they have in any item of business on the agenda, no later than when that item is reached and, when appropriate, to leave the meeting prior to discussion and voting on the item.											
Quorum	Six Members											
Committee administrator	Christine Brain Democratic Services Officer (Scrutiny) Telephone 01638 719729 Email democratic.services@westsuffolk.gov.uk											

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

Recording of meetings	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>
Personal Information	<p>Any personal information processed by West Suffolk Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm or call Customer Services: 01284 763233 and ask to speak to the Information Governance Officer.</p>

Agenda

Procedural matters

1. Substitutes

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

2. Apologies for absence

3. Minutes

To confirm the minutes of the meeting held on 23 November 2023 (copy attached.)

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4. Declarations of interest

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.

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. Delivering a Sustainable Medium Term Budget

Report number: **PAS/WS/24/001**

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7.	Internal Audit Report on Bank Mandate Fraud Report number: PAS/WS/24/002	53 - 60
8.	CIPFA Guidance on Audit Committees Report number: PAS/WS/24/003	61 - 66
9.	Co-opting Non-elected Independent Members Report number: PAS/WS/24/004	67 - 72
10.	2023 to 2024 Performance Report (Quarter Three) Report number: PAS/WS/24/005	73 - 174
11.	Treasury Management Report (December 2023) Report number: FRS/WS/24/001 was considered by the Financial Resilience Sub-Committee on 15 January 2024.	175 - 192
12.	Annual Financial Resilience Management Statement and Investment Strategy Statements (2024 to 2025) Report number: FRS/WS/24/002 was considered by the Financial Resilience Sub-Committee on 15 January 2024.	193 - 250
13.	Work programme update Report number: PAS/WS/24/006	251 - 254
14.	Exclusion of the Press and Public To consider whether the press and public should be excluded during the consideration of the following item because it is likely in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item, there would be disclosure to them of exempt categories or information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	

Part 2 – exempt

15.	Delivering a Sustainable Medium Term Budget - EXEMPT Appendices Fi, Fii and Fiii Exempt Appendices Fi, Fii and Fiii to report number: PAS/WS/24/001	255 - 294
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(This exempt appendices are to be considered in private under paragraph 3 of Schedule 12A of the Local Government Act 1972,

as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

16. Internal Audit Report on Bank Mandate Fraud - EXEMPT Appendix B **295 - 298**

Exempt Appendix B to report number: **PAS/WS/24/002**

(This exempt appendix is to be considered in private under paragraph 3 of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

17. 2023 to 2024 Performance Report (Quarter Three) - EXEMPT Appendix F **299 - 300**

Exempt Appendix F to report number: **PAS/WS/24/005**

(This exempt appendix is to be considered in private under paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, as it contains information relating to an individual and information which is likely to reveal the identity of an individual).

18. Treasury Management Report - December 2023 - EXEMPT Appendix 3 **301 - 306**

Exempt Appendix 3 to report number: **FRS/WS/24/001**

(This exempt appendix is to be considered in private under paragraph 3 of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Performance and Audit Scrutiny Committee



Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 23 November 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 Frank Stennett

Richard Alecock

John Augustine

Mike Chester

Nick Clarke

Ian Houlder

Andy Neal

Sue Perry

Karen Richardson

Phil Wittam

Substitutes attending for a full member

Pat Hanlon

In attendance

Diane Hind, Cabinet Member for Resources

Birgitte Mager

215. **Substitutes**

The following substitution was declared:

Councillor Pat Hanlon substituting for Councillor Janne Jarvis.

216. **Apologies for absence**

Apologies for absence were received from Councillor Janne Jarvis.

217. **Minutes**

The minutes of the meeting held on 28 September 2023 were confirmed as a correct record and signed by the Chair.

218. **Declarations of interest**

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

219. **Public participation**

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

220. **Delivering a Sustainable Medium-Term Budget**

The Cabinet Member for Resources presented report number PAS/WS/23/023, which informed the Committee at this stage on the approach and timescales for the 2024 to 2025 budget setting process and the medium-term financial strategy. The report set out the context to the 2024 to 2025 budget process; key budget assumptions; the 2024 to 2028 budget plans and proposed approach and timescales.

In the February 2023 Council meeting, the Budget and Council Tax Setting: 2023 to 2024 and Medium-Term Financial Strategy 2023 to 2027 report number ([COU/WS/23/003](#)) set out the indicative financial plan to 2027. This indicative plan set a balanced budget for 2023 to 2024 and 2024 to 2025 but included the following initiative budget gaps (which will be reviewed as part of this 2024 to 2025 budget process) in the subsequent years:

	2024 to 2025	2025 to 2026	2026 to 2027
Budget Gap	£0.00m	£2.67m	£3.69m

The Government’s Autumn Statement was announced on 22 November 2023. Assumptions contained in the report continued to reflect a working assumption regarding what the settlement for next year would be. As more detail becomes available from central government in late December 2023 these assumptions would be updated. Further reports to support the 2024 to 2028 Strategic Direction and Priorities and anticipated savings and initiatives needed to deliver a sustainable and balanced budget for 2024 to 2025 would be presented to the Performance and Audit Scrutiny Committee at its January 2024 meeting.

The Committee considered the report, the approach and timescales for the 2024 to 2025 budget setting process and the medium-term plans. Specifically, discussions were held on when the committee would receive the detailed budget numbers and proposals to support the development of the 2024 to 2025 budget setting process. In response the Cabinet Member for Resources stated that at this stage the report, which was not dissimilar to previous years reporting, was only setting out the process and the approach being taken. The detail was currently being worked through, for example new initiatives; fee structures, government settlement etc. All the supporting evidence and information would be available for the Committee to fully scrutinise in detail at its meeting in January 2024.

The Committee also questioned what the Council’s lobbying plan was for multi-year fairer funding settlements in relation to who was doing the lobbying; when; how and outcomes.

There being no decision required at this stage of the budget process, the Committee **noted** the contents of the report.

221. 2023 to 2024 Performance Report (Quarter 2)

The Cabinet Member for Resources presented report number PAS/WS/23/024, which set out the quarter two performance and the forecast 2023 to 2024 revenue and capital position for the period April 2023 to September 2023.

Attached to the report 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 report included updates under the Key Performance Indicators (KPIs) on the cost of living; strategic housing; water consumption; fuel usage; waste and footfall monitoring.

The Cabinet Member highlighted a number of KPIs where there had been a sharp increase or decrease; a change over a number of months; or a change on a previous year, both positive and negative, being:

Car parking	There had been a year-on-year increase, meaning more activity in the town centres, however levels were still below pre-pandemic levels.
Number of young people Not in Education, Employment or Training (NEET)	The dashboards included an annual figure, the first since last September. There had been a concerning increase compared to previous years, for example more young people were going into poor quality employment.
Amount of debt over 90 days old	The figure had decreased due to a commercial property payment which was positive news.
Solar installations	The Council was already at 950 kWh capacity compared to last year's 285 kWh which was positive news in terms of environmental performance.
Abbeycroft memberships	Membership figures were continuing to increase, which was positive as more people used Abbeycroft's facilities and become more active.

The Cabinet Member for Resources then presented the financial element of the report and explained from a financial perspective the forecast year-end outturn as at quarter two showed a small overall deficit position of £37,000. This deficit included the release of the planned general fund budget of £0.8m. The general fund remained at the £5m policy level and officers are continuing to review the position as the year progressed in order to maintain the general fund at the stated policy level.

There were a number of variances to the budget, many of which had been reported to the Committee at its July 2023 meeting, including the impact of the agreed pay award; improved business rate income expectations; ongoing inflationary pressures, such as utility costs and an improving forecast for car parking and trade waste income.

The Committee considered the report in detail and asked a number of questions to which responses were provided. In particular discussions were held on external borrowing; the Council's General Fund balance; the number of KPI's being reported and whether these should be reduced to more manageable levels; and a future presentation to all councillors on the significant changes being made to recycling/waste in light of the Government's "Simpler Recycling" initiative.

Detailed discussions were also held on why footfall was monitored in Newmarket and Bury St Edmunds and not in other towns across West Suffolk. It was explained that monitoring was carried out in these towns by the Business Improvement Districts and the data passed to the council. at no cost. It was agreed that care was needed in making comparisons between the town centres which were very different. The Committee further suggested it would be useful to make a comparison of town centre footfall in response to the growth of retail parks.

In response to a question raised on the cancellation of the Western Way Development and what the saving was to residents, the Cabinet Member for Resources agreed to provide a written response.

In response to a question raised on the KPI on why the use of red diesel had not reduced more significantly considering the rules around the eligibility of its usage had changed in April 2022, the Cabinet Member for Resources agreed to provide a written response.

In response to a question raised on how much planning appeals were costing the Council, it was agreed this could be included as a new KPI and noted the Office of Local Government (Oflog) was also looking into data around planning appeals.

In response to a question raised on the KPI for Universal Credit the Committee suggested it would be helpful for members to have the information available for each town. Officers agreed to look into this further as to whether the information could be broken down by town.

In response to a question raised on the KPI for the number of car parking events, the Committee suggested it would be helpful for members to have the information broken down by town. Officers confirmed the information was available and would look to include this in future reporting.

The Committee considered Appendix E, the strategic risk register and felt there were too many red risk/high impact areas and insufficient evidence/suggested actions provided. In response officers agreed to look at reviewing the risk register.

At the conclusion of the discussions, the Committee **noted** the forecast 2023 to 2024 revenue and capital positions as detailed in Report number PAS/WS/23/024 and attached appendices and KPIs subject to the above comments.

222. **Internal Audit Mid-Year Progress Report 2023 to 2024**

The Cabinet Member for Resources presented report number: PAS/WS/23/025, which set out the work carried out by the internal audit team in the first half of 2023 to 2024 and concluded that sufficient progress was being made against the annual internal audit plan to give confidence that a robust internal audit opinion would be provided in the Internal Audit Annual Report in May 2024.

The report confirmed that in general, internal controls continued to work well, although there would always be areas where further improvements could and should be made.

One area which the Cabinet Member brought to the Committee's attention was that the Council had unfortunately been a victim of a supplier bank mandate fraud, details of which were set out in paragraph 5.14 to 5.19 of the report. She stressed that officers had confirmed that existing controls had subsequently been reinforced in this area and additional controls had also been introduced to significantly reduce the risk of it happening again.

The report also included information on the professional internal audit standards which the internal audit team must comply with and were likely to change significantly early next year and the effects of the changes would be reported to the Committee in May 2024.

The Committee considered the report and asked questions, to which responses were provided. Specifically, discussions were held on fraud and questioned what the total fraud figure was to the Council to which the Cabinet Member for Resources advised was just under £52,000.

There being no decision required, the Committee **noted** the contents of the report.

223. **Treasury Management Report (September 2023)**

The Cabinet Member for Resources presented report number: FRS/WS/23/005, which had been scrutinised by the Financial Resilience Sub-Committee on 13 November 2023. The report set out the position as at 30 September 2023. At this point the Council held £54.5m of investments and borrowing of £9.6m. Interest receivable in the first half of the financial year was driving a budget surplus of £914,425 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 rate environment. The Council's liability benchmark and cashflow forecast showed the Council would not need to borrow externally within the short to medium-term this financial year.

The Committee scrutinised the report and asked questions to which responses were provided. In particular discussions were held on the Council's external treasury advisors and questioned the advice they provided to the Council; specifically, around what the cost was to the Council; the length of the contract and whether a procurement exercise was carried out to appoint external advisors. In response the Cabinet Member for Resources agreed to provide a written response on the length of the contract and the cost to the Council.

Discussions were also held on the pressure the Committee had put on the previous administration to borrow externally which in turn had enabled the forecast for the Council to balance the budget due to interest earned and felt the Council should have borrowed more at the time.

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

RECOMMENDED

That subject to the approval of Cabinet and Council, the Treasury Management Report (September 2023), being report number FRS/WS/23/005, be approved.

224. Work programme update

The Committee received report number: PAS/WS/23/026, which updated members on the current status of its rolling work programme of items for scrutiny during 2024 (Appendix 1). The Committee considered its rolling work programme and did not raise any issues.

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

225. Exclusion of the Press and Public

See minute number 226 below.

226. 2023 to 2024 Performance Report Quarter 2 - EXEMPT Appendix F

The Performance and Audit Scrutiny Committee made no reference to Exempt Appendix F under report number PAS/WS/23/024, therefore, this item was not held in private session.

The meeting concluded at 7.02 pm

Signed by:

Chair

Delivering a Sustainable Medium-Term Budget

Report number:	PAS/WS/24/001	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
	Cabinet	6 February 2024
	Council	
Cabinet member:	Councillor Diane Hind Portfolio Holder Resources and Property Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This is included in the Decisions Plan.

Wards impacted: All wards

Recommendation: It is recommended that the committee, recommend to Cabinet:

1. The inclusion of the proposals, as detailed in section 2 of this report and Appendix A - Budget Assumption Changes, in the 2024 to 2025 Revenue Budget.
2. The inclusion of the capital programme as set out at Appendix C (including annex i, ii, iii) in the 2024 to 2025 budget setting process.

1. Context to the 2024 to 2025 budget process

- 1.1 This report follows on from, and should be read in conjunction with, the November Performance and Audit Scrutiny Committee (PASC) report (report number [PAS/WS/23/023](#)) detailing the process and approach to setting the council's 2024 to 2025 budget and the principles and challenges faced in achieving this.
- 1.2 This report provides an update on the challenges all councils, including West Suffolk Council, face in the delivery of council services as well as an update on the latest funding details from Government. This report sets out that the council faces new pressures next year, from those already assumed in the indicative 2024 to 2025 budget set in February 2023, of around £5 million for the year, pressures that will now form (in the most cases) a new cost base for all future years budgets too. These pressures come through the continued impact of inflation, utility costs and the cost-of-living crisis which has inflated prices as well as demand for services.
- 1.3 Whilst the funding challenge remain significant in the medium to longer term the council continues to deliver year on year efficiencies, savings and drives the maximisation of its income streams to ensure its financial sustainability.
- 1.4 This means, that while our budget delivery plan work continues into the medium to longer term with further savings and initiatives needed to be achieved, the council can give reassurance that balanced budgets can be delivered for the two years 2024 to 2026.
- 1.5 **Appendix A** to this report provides proposed changes to the budget assumptions from those used in the February 2023 Budget and Council Tax report [COU/WS/23/003](#), alongside growth in service demand, support towards the new strategic priorities and anticipated savings and initiatives proposed or delivered to date to achieve a sustainable and balanced budget for 2024 to 2026 (a summary of the revenue budgets after the proposed changes in **Appendix A** are set out in **Appendix B**) and includes details of the medium-term budget estimates.
- 1.6 Attached at **Appendix C** is the proposed capital investment plans across the medium term. This proposed capital programme contains a number of already agreed strategic projects, including our commitment to achieving net zero by 2030 as well as significant investment plans in the councils operational assets, buildings and commercial estate. This programme is fully funded from a mixture of available reserves, capital receipt balances and prudential borrowing (in which case provision is allowed for within the proposed revenue budget to service the associated prudential borrowing costs through repayments and interest payable).
- 1.7 The medium-term budget plans (beyond April 2025) are being prepared in the context of significant uncertainties around the current economic climate and Government policy, such as:
 - the current cost of living and inflationary challenges
 - Local Government Finance Settlement (post April 2025)

- the Fairer Funding Review, Business Rates Retention (BRR) Scheme Review (post April 2025)
- commercial investment policy
- major reforms such as Simple Recycling, formally known as the Resources and Waste Strategy (RAWS)

- 1.8 The council will continue to lobby Government over financial support and funding together with partners and other local authorities. The government settlement is significantly lower than inflation and that required to deliver local services. It is also expected and has been calculated on the premise that all councils will supplement it with raising Council Tax to meet the financial challenges faced nationally. Currently Council Tax provides for under a fifth of the total income needed to cover the cost of delivering services with the rest having to be supplemented from other incomes, including locally generated fees and charges.
- 1.9 As outlined before all UK authorities are facing tough financial challenges caused by issues such as high inflation, cost of living and utility prices, and changes to the way communities spend which can often result in reduced income.
- 1.10 West Suffolk Council's ongoing robust and responsible financial management has meant we have been able to be in a strong position to face many of the challenges that have so deeply affected all local government authorities. However, as costs increase for our businesses and communities there is more demand, especially from the most vulnerable, for our aid. At the same time the rising cost of goods, utilities and fuel that everyone is experiencing to deliver these services are also increasing for West Suffolk Council and its strategic service partners, in particular its leisure operations – doubling the challenge to our budget setting.
- 1.11 The economic situation, therefore, continues to be hugely challenging, with rising costs and increased demand for services, in particular for housing support. Suffolk, and West Suffolk through its Families and Communities as well as economic growth work, is at the forefront nationally supporting its communities and businesses by working in partnership across the public, private and voluntary sectors. This partnership working brings greater benefits to communities and businesses alongside efficiencies and savings that would be delivered by agencies on their own. However, the impact of the economic situation and wider income recovery challenges on our system partners including Suffolk County Council is uncertain at this stage. Therefore, it is not clear what indirect cost impacts or knock on effects may be experienced locally and, on the partnership working due to their budgetary decisions.

2. Proposals within this report – Key budget assumptions

- 2.1 The November Report [PAS/WS/23/023](#) outlined the process and principles that would be followed to develop the 2024 to 2025 budget and medium-term plans and the key work pillars that would provide the base for any budget assumptions. These assumptions are constantly under review, in

response to further data and intelligence. Since this last report, there have been the following updates as set out below.

Provisional Finance settlement 2023

- 2.2 The Government published the provisional local government finance settlement (details of what government funding, across the various headings as set out below, will be available to individual councils to support the delivery of local services) for 2024 to 2025 on 18 December 2023. The announcement covered funding plans for 2024 to 2025 only. At this stage the settlement is essentially a rollover of the current funding principles with a 4.75 per cent core spending increase from that received in 2023 to 2024 (the government assumes in this the maximum 3 per cent Council Tax increase is utilised). Any funding reforms or changes in funding distribution have been communicated as not be implemented until 2025 to 2026 at the earliest.
- 2.3 This means a further delay to the Fair Funding Review and the Business Rates Retention Scheme (including the business rates baseline reset) – the assumption in our medium-term plans is that these reforms will be implemented now from April 2026 as, on a practical level, many believe these reforms are unlikely to be implemented until 2026 to 2027 due to the level of change and consultation that a new government is likely to need to go through. This position is reflected in the medium-term budget assumptions (no significant funding reforms until April 2026) and will therefore be kept under regular review.
- 2.4 The government settlement is significantly lower than inflation and that required to deliver local services. And in real terms, the settlement still doesn't make up for the years of austerity and Government funding cuts.
- 2.5 The maximum increases in Band D council tax have been confirmed by Government as the higher of 2.99% or £5 for district councils.

Revenue Support Grant

- 2.6 Revenue Support Grant (RSG) allocations have been rolled forward for a further year. West Suffolk's allocation for 2024 to 2025 is £0.448 million and for 2025 to 2026 we have assumed the same amount. No further RSG allocations have been included in the MTFS from 2026 to 2027 onwards as it was always Government's intention to remove this grant.

Rural Services Delivery Grant

- 2.7 The Rural Services Delivery Grant has been rolled forward unchanged from 2023 to 2024 and £0.203 million has been included in both 2024 to 2025 and 2025 to 2026 budgets, with nothing assumed beyond this.

Services Grant

- 2.8 This was communicated as a one-off grant for 2022 to 2023 distributed to every authority to support all services delivered by councils and included the reimbursement of the National Insurance increase from April 2022. However, the Government rolled this forward to 2023 to 2024 albeit at a lower level to reflect the reversal of the National Insurance increase. It has been rolled

forward again to 2024 to 2025, having been reduced further. West Suffolk's provisional allocation is £0.029 million for 2024 to 2025 and we have assumed the same for 2024 to 2025.

New Homes Bonus

- 2.9 There has been considerable uncertainty regarding New Homes Bonus (NHB) as the consultation on the future of NHB and potential alternative incentives for the provision of new housing has been postponed. However, there will now be a further one-year round of NHB funding (year 1), and the Government will decide whether to continue this into 2025 to 2026 before next year's settlement. The total money available for NHB was cut in 2023 to 2024 partly to fund the new Funding Guarantee (see below) and will not attract any legacy payments. However, our funding guarantee grant (below) includes provision to replace the NHB lost between the 2022 to 2023 and 2024 to 2025 settlement. The NHB allocation for West Suffolk is £0.881 million for 2024 to 2025, along with £0.875 million included in the funding guarantee grant to maintain the £1.756 million received in 2022 to 2023 before the cut. The full allocation (£1.756 million in total) will be transferred to the Strategic Priorities and Medium-Term Financial Strategy Reserve for future utilisation across the medium-term plans towards the delivery of strategic priorities.

Funding Guarantee Grant

- 2.10 This grant ensures every authority has an increase in Core Spending Power (CSP) of 3 per cent before any council tax increases. It is funded from the now discontinued Lower Tier Services Grant and the reduced cost of NHB. West Suffolk has been given a provisional allocation of £1.281 million for 2024 to 2025 and we have assumed a similar allocation for 2025 to 2026. As this allocation includes £0.875 million transferred from NHB, the net £0.406 million will benefit the 2024 to 2025 and 2025 to 2026 budgets.
- 2.11 These Government funding assumptions will continue to be kept under constant review as part of future budget processes. This collection of assumptions has one of the biggest financial impacts on the council's budget in the medium term given the sums involved.

Other income assumptions

- 2.12 There has been a detailed line by line review of the 2023 to 2024 income budget assumptions across a best, base and worst-case scenario. The material outcomes of this review are included in **Appendix A** Budget Assumption Changes. This work will also feed into the S151 Officers report to Council on the robustness of estimates and balances.
- 2.13 In addition to reviewing the income assumptions there has also been a review of the fees and charges pricing used in the budget and medium term. This is to ensure:
- That we are recovering the cost of delivering these discretionary services on a user pays basis (also taking into account charging levels made by other local authorities)
 - Consistency of approach in line with the Fees and Charges policy

- Provide appropriate visibility for those pricing decisions that are likely to have significant public interest (including those over 5 per cent annual increase – in line with the council’s constitution).

The Fees and Charges that are changing and meet the requirements for reporting through to Cabinet are detailed in **Appendix E – Fees and Charges**.

Business Rates estimate for 2024 to 2025

- 2.14 It was announced in the Autumn Statement that the government would use new powers under the Non-Domestic Rating Act 2023, to set the small business and standard business rate multipliers separately from one another. Previously, these two multipliers had to be increased by the same percentage with the standard multiplier being fixed at 1.3p higher than the small multiplier. For 2024 to 2025 the small multiplier will be frozen at 49.9p. The standard multiplier (payable by businesses with rateable values more than £51,000) will increase from 51.2p to 54.6p, resulting in the difference between the two multipliers increasing to 4.7p.
- 2.15 The increase in the Business Rates Retention Scheme (including baseline funding and tariff levels) is linked to the increase in the multipliers. The government will pay a Section 31 Cap Compensation grant to councils to make up the difference between the weighted average increase in their multipliers and CPI at September 2023 (6.62 per cent).
- 2.16 At the Autumn Statement on 22 November 2023 the Chancellor announced the extension of the business rates relief scheme at 75 per cent for retail, hospitality, and leisure (RHL) properties into the 2024 to 2025 financial year. Local authorities are expected to use their discretionary relief powers (section 47 of the Local Government Act 1988, as amended) to grant these reliefs in line with the relevant eligibility criteria set out in guidelines. However, the full cost of granting this relief will be compensated through a section 31 grant from Government.
- 2.17 RHL relief are automatically applied to accounts without the need for businesses to apply. RHL relief is applicable to occupied properties which fall within the definitions within the guidelines of being retail, hospitality or leisure premises. RHL relief is being maintained at 75 per cent with effect from 1 April 2024. The 75 per cent reduction is applied after Transitional and Small Business Rate Reliefs have been applied to reduce the amount payable by the ratepayer and is limited to £110,000 per business.
- 2.18 Business Rates are set by government through the Valuation Office. West Suffolk is responsible for administering business rates as a billing authority, including its collection. Since 2013, local authorities can benefit financially from retaining locally a share of the growth in the total rates collected locally (they are also responsible for a share if the total rates decline). This means that if the government makes national decisions around business rates, including offering new reliefs or changing the multiplier applied, then the government will issue a compensatory payment (through a S31 grant) to local authorities so they are not financially impacted by the business rate income they would have otherwise received a share of had a national policy decision been made.

3. Our current projections for 2024 to 2025 and beyond

- 3.1 Our baseline medium term plans from the 2023 to 2024 budget (Report reference [COU/WS/23/003](#)) process already included the need to make significant savings across the medium-term financial plans.
- 3.2 The November PASC report (report number [PAS/WS/23/023](#)) set out the process and principles that would be followed in order to produce a sustainable budget for 2024 to 2025 and a MTFFS out to 2027 to 2028. These processes have revealed a number of changes to assumptions and plans for those time periods.
- 3.3 The net impact of these key assumption changes are set out in **Appendix A – Budget Assumption Changes**. The changes give rise to a balanced position for 2024 to 2025 and 2025 to 2026, £5.71 million budget gap for 2026 to 2027 and £6.28 million budget gap for 2027 to 2028 (these are cumulative budget gaps and assume the government will remove 50 per cent of the current business rates retention growth for West Suffolk). The resultant Income and Expenditure statement taking these changes into account from the in-principle budget set at February 2023 Council for West Suffolk Council can be found in **Appendix B – Proposed Revenue Budget**.
- 3.4 West Suffolk council's response to the financial challenges and opportunities will follow our six key work pillars (report number [COU/WS/23/019](#) refers). Our opportunities include capturing and building on the learning and innovative ways of delivering our services, experienced during this time.
- 3.5 These projections assume a 3% council tax increase that will be set out in the February 2024 Council report and the introduction of a second homes council tax premium from April 2025. The setting of council tax is a matter for the February Council meeting.

Longer term financial challenges

- 3.6 There is a significant amount of uncertainty with the government grant and business rate retention scheme assumptions that underpin the indicative 2026 to 2028 budget projections contained in **Appendix A and B**. The current assumption within these projections is that government funding will be significantly reduced from the levels currently received, as detailed under each of the grant headings in section 2 above.
- 3.7 The following table sets out the potential range, as a best and worst case scenario depending on whether the current level of grants and business rate retention scheme growth continue across the longer term (best case scenario) or that all growth currently received through the business rates retention scheme is removed alongside no grant being provided, so the other 50 per cent of the business rates retention growth also goes from that currently assumed (worst case). It is very unlikely that a new government would implement the worst-case scenario, so this should be seen as an illustration of impact and if that was to happen, it is envisaged that transitional funding would be made available to soften the reduction over a period of time so not to create such a cliff edge.

	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Current budget gap as set out in 3.4 above	0.00	0.00	5.71	6.28
Best case scenario: Additional income to that currently assumed – retain the current level of grants and all business rate retention scheme growth from 2026/27	0.00	0.00	(5.22)	(5.30)
Revised budget gap – best case scenario	0.00	0.00	0.49	0.98
Worst case scenario: Reduced income – remove all business rate retention scheme growth from 2026/27 alongside no grant provided	0.00	0.00	3.27	3.34
Revised budget gap – worst case scenario	0.00	0.00	8.98	9.62

- 3.8 The above shows, for illustrative purposes, a budget gap range in 2027 to 2028 of £0.98 million to £9.62 million between the best and worst case scenario around government funding assumptions (assuming all other budget assumptions remain the same as detailed in the proposed 2024 to 2025 budget and medium term plans). This also illustrates our continued reliance of government funding to deliver local services.
- 3.9 In the absence of certainty from government over grant levels in the medium to longer term, work continues on developing annual saving, income and initiative plans (following the agreed MTFs themes) of £1 million per annum from April 2026 across the medium term to remain ahead of the curve and to address any longer-term financial challenges for West Suffolk Council. The Council also maintains the business rates equalisation reserve (current balance £6.1 million) to support any cliff edge reductions in business rates funding (including appeals) that might be created from future government funding announcements. This reserve covers this risk and would provide short to medium term funding (albeit one off), allowing certainty and time so further savings and income plans can be delivered to address reduced funding in the medium to longer term if that was to be the outcome of future funding settlements.

10-year West Suffolk Capital Programme

- 3.10 A proposed West Suffolk 10 Year Capital Programme is attached at **Appendix C** for members consideration. This £131 million investment programme takes into consideration both strategic capital and investment projects alongside the operational requirements and improvements/initiatives linked to service delivery such as our operational vehicle replacements and asset management requirements.

- 3.11 Included within the strategic capital projects are a number of previously agreed projects such as the AME Units Suffolk Park, Rougham Hill redevelopment, Barley Homes, Provincial House, alongside a number of proposed new capital projects that will be subject to Council approval as part of the budget reports. These include:
- A £1.2 million investment in the commercial unit at Anglian Lane site in Bury St Edmunds to regenerate the asset whilst increasing its rental income – exempt business case at **Exempt Appendix F i**.
 - A £1.1 million investment in the commercial unit at 2 Hollands Road in Haverhill regenerate the asset whilst increasing its rental income – exempt business case at **Exempt Appendix F ii**.
 - A £30.0 million capital funding provision to support our Investment in our Growth Agenda Fund, which will be subject to separate business cases. This fund will be available to support projects such as the redevelopment of the Olding Road site (Business Case due in the coming months), temporary accommodation acquisitions and other capital project as they come forward in support of the new strategic priorities.
 - £2.75 million of investment to top up the Net Zero fund to support further investment in our assets, including our leisure portfolio and in our solar for business scheme.
 - An additional £3 million capital budget (£15.1 million in total) for the AME units, Suffolk Park, to reflect increased construction costs from the latest project gateway review, funded by prudential borrowing with the cost of borrowing to be funded by increasing the pot B business rate income share (subject to partners agreement).
 - A £6.2 million investment in Bury Leisure Centre, funded over 10 years by the one off £0.45 million AMP provision and the annual £0.724 revenue budget to create a capital budget through prudential borrowing.
 - A £2.0 million investment towards a total £4.0 million capital project delivering a new sport and leisure provision at the St Felix site in Newmarket – **exempt business case at Appendix F iii**.
 - £1.7 million for transitional costs associated with the introduction of weekly food waste collections, relating to the purchase of bins and new vehicles.
- 3.12 The council's capital programme is fully funded through a mixture of capital grants, capital receipts, prudential borrowing and revenue reserves (mainly relates to operational requirements such as vehicle replacements and asset management). Each capital project is subject to a business case including the basis at which the project is to be funded and detailed risk assessment – those relating to the new projects are attached at **Exempt Appendix F i, F ii** and **F iii** Operational projects are linked to asset management requirements, through condition surveys and assessments. The disabled facilities budget is based on the external grant received by West Suffolk.

Reserves

- 3.13 The reserves of West Suffolk council are split between the general fund (held as a contingency to cover unexpected expenditure or reduced income) and the earmarked reserves (held for specific identified uses).

- 3.14 The general fund is forecast to remain at £5.0 million over the extent of this MTFS with no requirement to draw upon or top-up this balance out to 2027 to 2028.
- 3.15 Earmarked reserves are planned to move from a forecast opening balance at the 1 April 2024 of £41.1 million to a closing balance of £35.9m million by the 31 March 2028. This reduction in reserves held is predominantly driven by the utilisation of the Strategic Priorities and MTFS reserve (which will also be further drawn upon during the year as projects are assessed against the new strategic priorities) and the Building Repairs reserve which is held to cover the asset management plan of maintenance of our operational, housing, leisure and commercial buildings.
- 3.16 The statement of all earmarked reserve balances and movements can be found in **Appendix D** – Earmarked Reserves. There are also separate appendices with more detail for the following reserves:
- Strategic Priority and MTFS – **Appendix D (i)**
 - Investing in our Growth – **Appendix D (ii)**
 - Business Rates Retention Pilot – **Appendix D (iii)**
 - Capital Financing Reserve – **Appendix D (iv)**
 - Building Repairs Reserve – **Appendix D (v)**

Next steps and timetable

- 3.17 The following high-level timetable is proposed for delivery and agreement of a budget and medium-term plan for West Suffolk Council for 2023 to 2024.

Action	Timescales
PASC – delivering a sustainable budget update report	25 January 2024
Cabinet – 2024 to 2025 Budget and Council Tax setting report	6 February 2024
Member Development Session(s) and briefing(s) – 2024 to 2025 Budget and MTFS	8 February 2024
Council – 2024 to 2025 Budget and Council Tax setting report	20 February 2024

4. Consultation and engagement undertaken

- 4.1 The budget assumptions, growth items, savings and initiatives set out in this report have been prepared in consultation with Leadership Team, the Portfolio Holder for Resources and Property and other relevant Portfolio Holders.

5. Risks associated with the proposals

- 5.1 The budget report in February 2024 will set out the key risk assumptions alongside the report from the Section 151 Officer on the robustness of estimates and balances.

6. Implications arising from the proposals

- 6.1 Financial – Contained in the main body of this report.
- 6.2 Legal Compliance – The council has a legal requirement to set a balanced budget for the forth coming year. This report and future reports to this committee are part of the process designed to deliver on that legal requirement.
- 6.3 Personal Data Processing/Equalities/Crime and Disorder/Changes to existing policies/Environment or Sustainability/HR or Staffing/External organisations – No significant implications arising directly from this report. Implications under each of these headings will be considered as part of individual savings or initiatives as part of the budget process.

7. Appendices referenced in this report

- 7.1 Appendix A - Budget Assumption Changes
Appendix B – Proposed Revenue Budget following changes set out in Appendix A
Appendix C (including Appendix C i, ii and iii) – Proposed West Suffolk Capital Programme
Appendix D (including Appendix D i, ii, iii, iv and v)– Revenue Reserves
Appendix E (including Appendix Ei) – Fees and Charges 2024 to 2025
EXEMPT Appendix F i, ii and iii (Exempt Business cases to support new strategic capital projects)

Background Papers

February 2023 - Budget and Council Tax Setting 2023 to 2024 and Medium-Term Financial Strategy 2023 to 2027

[COU/WS/23/003](#)

November 2023 - Delivering a Sustainable Medium Term Budget

[PAS/WS/23/023](#)

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Budget assumption changes pressures/improvements	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Budget gap - February 2023 budget process	0.00	2.67	3.69	4.26
Inflation and demand changes:				
Pay Award - Impact of the 2023 to 2024 agreement of flat £1,925 to all points 2 to 43 and 3.88 per cent for points 44 and above plus increased assumption of 4 per cent for 2024 to 2025. 2 per cent assumed for future years. One off additional cost associated with previously assumed reserve funded posts now accommodated within the overall salary budget to ensure consistency of funding. The main remaining posts still funded from reserves relate to the Housing Options team linked to government funding. Pension contributions reduced in 2026 to 2027 to remain at current contribution 2023 to 2026 rates – see note below in financial planning section.	1.83	1.51	1.46	1.40
Increased External Audit Fees as set by Public Sector Audit Appointments (PSAA), relating to additional statutory audit work.	0.12	0.12	0.12	0.12
Insurance costs - retendering in 2024. Limited public sector insurance market. Assumed increase in premiums, subject to retendering. Budget assumption at this stage.	0.13	0.17	0.22	0.28
Waste Tipping Charges - Suffolk CC price increase due to inflationary pressures.	0.13	0.13	0.13	0.13
Refuse Collection - Suffolk CC Gate Fees for Black, Blue and Brown bins all increasing due to inflationary pressures.	0.14	0.14	0.14	0.14
Increase in Verse cleaning and security contract - driven by increase in National Living Wage and inflationary pressures.	0.09	0.09	0.09	0.09
Increased vacant property holding and security costs, projects in progress to reduce in the medium to longer term	0.05	0.05	0.05	0.05
Utilities - gas and water inflationary price increase	0.32	0.34	0.36	0.37
Other contractual inflationary increases	0.13	0.13	0.14	0.14
Other consumables price inflation	0.11	0.11	0.11	0.11

Budget assumption changes pressures/improvements	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Other aggregated activity driven pressures	0.41	0.41	0.44	0.48
Inflation and demand changes:	3.63	3.37	3.43	3.48
Strategic Priorities and Statutory demands:				
Investment in additional Grounds Maintenance service - increased skilled workforce and additional investment in new equipment for operational efficiencies.	0.19	0.20	0.20	0.20
Brown Bins - additional bin truck round added to service, increase costs through staffing and additional vehicle	0.17	0.18	0.18	0.19
Brown Bins - additional round income linked to £3 increase charge for April 2024 to recover cost of service and further increase £3 charge for April 2026.	(0.11)	(0.22)	(0.22)	(0.22)
Building Control - structure changes to address legislative requirements linked to Grenfell	0.16	0.16	0.16	0.16
Planning Policy additional specialist posts to support delivery of Local Plans policies and national requirements considered as part of planning applications in particular ecology and urban design capacity.	0.26	0.26	0.26	0.26
Planning service fee income increase – fees set by government – introduced December 2023	(0.42)	(0.42)	(0.42)	(0.42)
Vehicle Workshop - additional resource and costs to support income and future resilience linked to simple recycling	0.07	0.08	0.08	0.08
Vehicle Workshop - additional income projection year 1, increases in medium term to reflect additional capacity and income generating opportunities	(0.05)	(0.06)	(0.07)	(0.07)
Increased regulatory services skilled workforce to address increased demands and regulation changes on private sector housing service	0.17	0.17	0.17	0.17
Parks and Open Space management investment to support increased ground maintenance requirements	0.04	0.04	0.04	0.04
Increased property capacity to support the additional investment in our assets, ensuring we maximise the value of our resources and are taking the right steps towards our net zero ambitions	0.11	0.11	0.11	0.11

Budget assumption changes pressures/improvements	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Retention of capacity within our families and communities team to support our thriving communities priority	0.06	0.06	0.06	0.06
Establish a commissioning pot to progress a number of sustainable growth objectives including the economic potential of Brandon and the A1307, A11 and A14 corridors	0.50	0.00	0.00	0.00
Establish a fund to support the objective 'Develop and improve access to a programme of activities and advice for residents facing challenges as a result of the cost-of-living crisis', delivery model to be considered	0.10	0.10	0.00	0.00
Extraordinary utility support for Abbeycroft to protect against swimming pool closures and reduction in provision.	0.30	0.00	0.00	0.00
Provision to identify more ways in which the council can increase affordable, preferably social housing, across the district, including investigating the use of a Housing Revenue Account so that the council can build homes for social and affordable rent.	0.10	0.00	0.00	0.00
Above initiatives (above 4 lines) to be funded from the Strategic Priorities and MTFS Reserve	(1.00)	(0.10)	0.00	0.00
Strategic Priorities and Statutory demands:	0.48	0.39	0.38	0.39
Financial Planning impact:				
Asset Management Plan – increase in annual contribution to reflect increased contractor costs and programme of investment in council owned properties to generate additional rental income returns.	0.20	0.20	0.20	0.20
Vehicle Replacement Plan - increase in annual contribution to reflect increase in replacement costs for vehicles, plant and equipment	0.10	0.10	0.10	0.10
Revised Local Plan costs to reflect increased inspection volumes and associated costs with delivering a local plan.	0.21	0.15	0.15	0.15

Budget assumption changes pressures/improvements	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Pension Contributions reduction in previously assumed rate increase from April 2026. Rate remains consistent within the medium to longer term plans	0.00	0.00	(0.49)	(0.50)
Other reserve funding contributions, including waste management reserve which covers the costs of waste bins, increases due to inflationary and demand pressures.	0.27	0.26	0.26	0.26
Financial Planning impact:	0.78	0.71	0.22	0.21
Income assumptions impact:				
Sustained Business Rates Growth income released to base budget forecast (inc Suffolk Pooling to 2026). Current year forecasting includes additional business rates growth, projecting that growth forward into the medium term. Assumption from April 2026 is only 50 per cent of business rate retention growth is retained under any government changes – assumption only at this stage. Subject to the government's NNDR1 return, due end of January 2024 - final update to be included in Cabinet and Council papers.	(4.72)	(5.54)	(1.50)	(1.53)
Contribution of one-off Suffolk Public Sector Leaders pool share benefit included within the above Business Rates Growth contributed to the Strategic Priorities & Medium Term Financial Strategy Reserve to fund strategic projects.	1.10	0.00	0.00	0.00
Assume current Fair Funding Review (various grants from government) will roll forward into 2026 - assumption only at this stage.	0.00	(1.02)	0.00	0.00
Council Tax (increase in taxbase and 3 per cent maximisation)	(0.17)	(0.07)	(0.07)	(0.07)
Interest receivable - higher market rates and cash investments held – reflected in projections across the medium term from those assumed in February 2023	(0.68)	(0.27)	(0.18)	(0.18)
Contribute interest receivable to Capital Financing Reserve toward future interest rate variances	0.68	0.27	0.18	0.18
Utilities - electricity price/volume reduction in part linked to actuals and reduction in consumptions linked to decarbonisation investments	(0.25)	(0.25)	(0.25)	(0.26)
Increased Car Parking income based on current and future volume trends	(0.26)	(0.26)	(0.26)	(0.26)
Increased income from Civil Parking Enforcement (CPE) based on current trends	(0.11)	(0.11)	(0.11)	(0.11)
Reduced CCTV income as a result of reduced income contracts	0.09	0.09	0.09	0.09

Budget assumption changes pressures/improvements	2024 to 2025 £m	2025 to 2026 £m	2026 to 2027 £m	2027 to 2028 £m
Increased Trade Waste income (based on current volume trend)	(0.09)	(0.09)	(0.09)	(0.10)
Solar Farm income - revised pricing based on forecast market rates. Current rate is fixed to April 2025. Still projected to deliver significantly above original business case.	0.00	1.21	1.21	1.21
Market income - revised to reflect current occupancy levels	0.02	0.02	0.02	0.02
Impact of provisional finance settlement as detailed in the main report.	0.00	0.00	0.07	0.07
Member allowances approved scheme in line with previous budget assumptions	0.00	0.00	0.00	0.00
Other income assumption changes	(0.07)	(0.09)	(0.09)	(0.09)
Income assumptions impact:	(4.46)	(6.11)	(0.98)	(1.03)
Budget delivery programme:				
Car parking fees and charges	(0.31)	(0.31)	(0.31)	(0.31)
Additional rent income from commercial estate through rent and lease renewals and asset investments improving rental values achieved	(0.12)	(0.12)	(0.12)	(0.12)
Review of asset portfolio to generate new/additional income through investment e.g. Rougham Hill, Provincial House, Anglian Lane, industrial units – net £200k after borrowing costs.	0.00	(0.20)	(0.20)	(0.20)
Change and Service Improvement Programme	0.00	(0.40)	(0.40)	(0.40)
Budget delivery programme:	(0.43)	(1.03)	(1.03)	(1.03)
Total budget assumption changes	0.00	(2.67)	2.02	2.02
Remaining budget gap as at January 2024	0.00	0.00	5.71	6.28

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	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028
(Income) and expenditure:	Total Budget	Projected Budget	Projected Budget	Projected Budget
	£	£	£	£
Government grants outside Aggregate External Funding (AEF)	(26,505,556)	(25,732,883)	(24,983,389)	(24,256,381)
Transfer Payments, the cost of payments to individuals for which no goods or services are received (primarily Benefits)	27,042,976	26,258,536	25,497,629	24,759,550
Overpayments recovered	(300,000)	(300,000)	(300,000)	(300,000)
Total housing benefits:	237,420	225,653	214,240	203,169
Income from business rates through the current 50 per cent business rates retention scheme (excluding baseline funding)	(8,216,527)	(7,258,911)	(3,269,969)	(3,335,369)
Council Tax income	(11,709,061)	(12,018,547)	(12,435,062)	(12,858,705)
Grants:				
Baseline funding - Business Rate Retention scheme	(4,903,480)	(5,001,550)	(5,101,581)	(5,203,613)
New Homes Bonus grant	(880,800)	(880,800)	0	0
Other grants (for example, council tax / housing benefit / business rates administration grants, Revenue Support Grant, Rural Services Delivery grant, Funding Guarantee and homelessness grants)	(3,842,203)	(3,674,709)	(1,694,927)	(1,694,927)
	(29,552,071)	(28,834,517)	(22,501,539)	(23,092,614)
Contributions:				
Contributions - Suffolk County Council (for example, net recycling performance payments and highway grass verge maintenance contributions)	(225,023)	(225,023)	(225,023)	(225,023)
Contributions - other organisations (for example, housing benefit payments towards bed and breakfast accommodation and employee contributions for leased cars)	(430,390)	(1,403,134)	(1,404,123)	(1,405,162)
	(655,413)	(1,628,157)	(1,629,146)	(1,630,185)
Reimbursements:				
Service Level Agreement (SLA) income	(1,093,274)	(1,115,074)	(1,137,324)	(1,160,024)
Other reimbursements (for example, payments from Anglia Revenues Partnership, and Babergh and Mid Suffolk councils, towards partnership costs)	(4,427,029)	(4,396,027)	(4,376,183)	(4,376,733)
	(5,520,303)	(5,511,101)	(5,513,507)	(5,536,757)
Sales:				
Sales - tickets (for example, the Apex)	(1,559,598)	(1,590,798)	(1,622,598)	(1,655,048)
Fees - planning applications	(2,010,000)	(2,011,800)	(2,013,650)	(2,015,500)
Fees - building regulations	(381,890)	(389,540)	(397,340)	(405,290)
Fees - refuse collection and disposal	(4,863,636)	(5,066,311)	(5,167,611)	(5,270,811)
Fees - car parking	(8,046,832)	(8,046,832)	(8,046,832)	(8,046,832)
Other sales (for example, solar income, land charges, licencing)	(7,756,916)	(6,634,416)	(6,720,966)	(6,798,816)
	(24,618,872)	(23,739,697)	(23,968,997)	(24,192,297)
Rental:				
Rents - industrial units	(3,004,957)	(3,006,290)	(3,006,290)	(3,006,290)
Rents - shops	(1,977,527)	(1,977,527)	(1,977,527)	(1,977,527)
Rents - land	(1,117,480)	(1,117,480)	(1,117,480)	(1,117,480)
Other rentals (for example, other properties such as garages and desk space rental at council offices)	(1,107,783)	(1,107,783)	(1,107,783)	(1,107,783)
	(7,207,747)	(7,209,080)	(7,209,080)	(7,209,080)
Investment and loan interest, and dividends received	(1,530,275)	(795,275)	(1,005,275)	(1,005,275)
Total income (excluding benefits):	(69,084,681)	(67,717,827)	(61,827,544)	(62,666,208)
Expenditure:				
Total cost of employment	35,460,605	36,383,413	37,328,362	38,288,747
Premises costs	10,111,405	9,974,088	10,048,811	10,473,034
Transport costs	2,091,323	2,153,973	2,219,723	2,288,773
Supplies & services costs	10,194,364	9,014,914	9,095,214	9,392,314
Third party payments, for example provision of services by other organisations that could be performed in-house.	3,019,539	2,939,390	2,939,390	2,939,390
Capital costs (interest on borrowing, minimum revenue provision) including assumptions linked to the 'Investing in our growth agenda' fund	2,418,600	3,067,550	3,067,550	3,067,550
Net contribution to reserves (excluding employee-related contributions which are included under the total cost of employment) - see attachment D appendix 3 for further details.	5,551,425	3,958,846	2,623,172	2,292,267
Total expenditure (excluding benefits):	68,847,261	67,492,174	67,322,222	68,742,075
Total budget gap:	0	0	5,708,918	6,279,036

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Project Description	Project Funding	2024 to 2025 Total Budget	2025 to 2026 Total Budget	2026 to 2027 Total Budget	2027 to 2028 Total Budget	2028 to 2029 Total Budget	2029 to 2030 Total Budget	2030 to 2031 Total Budget	2031 to 2032 Total Budget	2032 to 2033 Total Budget	2033 to 2034 Total Budget	Total Budget (Over 10 Years)	Overall Total Project Cost
Resources & Property													
Provincial House - 2nd & 3rd Floor refurbishment - report number CAB/WS/23/062	Borrowing	2,000,000										2,000,000	2,000,000
Anglian Lane Warehouse	Borrowing	1,200,000										1,200,000	1,200,000
2 Hollands Road, Haverhill	Borrowing	1,100,000										1,100,000	1,100,000
Investing in our Commercial Asset Portfolio - CAB/WS/22/073	Borrowing / Car Park Reserve	3,000,000	8,447,120									11,447,120	12,000,000
Asset Management Plan - Property													
Property Asset Management Plan	Building Maintenance Reserve	2,615,000	1,732,000	1,687,500	1,500,000	1,562,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	14,097,000	
Net Zero Plan - Asset Management Investment	Borrowing	2,500,000	500,000									3,000,000	4,340,000
Human Resources, Governance and Regulatory Services													
Private Sector Disabled Facilities Grants	Grants	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	9,000,000	
Community Energy and Net Zero Plan	Borrowing	1,250,000	1,250,000	1,250,000								3,750,000	10,240,000
Operations													
Car Parking Improvements	Car Park Reserve	360,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	1,080,000	
Vehicle & Plant Purchases	Vehicle & Plant Reserve	1,008,000	1,281,000	958,000	1,417,000	1,069,000	3,431,000	3,259,000	888,000	888,000	888,000	15,087,000	
Net Zero Plan - Electric Vehicle Fleet Investment	Borrowing	510,000										510,000	1,160,000
St Felix Leisure Provision, Newmarket	£2m Contributions / £2m Reserves	4,000,000										4,000,000	4,000,000
Bury St Edmunds Leisure Centre	Borrowing	6,200,000										6,200,000	6,200,000
Transitional cost for the introduction of weekly food waste collections	Grants	1,697,717										1,697,717	1,697,717
Asset Management Plan - Leisure													
Leisure Asset Management Scheme	Leisure Building Repairs Reserve	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000	
Planning and Growth													
Barley Homes Investment Facility - report number: CAB/WS/23/059	Capital Receipts / Borrowing	8,000,000	4,210,500									12,210,500	14,250,000
High Street Haverhill Improvements (under review for allocation to initiatives)	Grants	693,000										693,000	693,000
Investing in our Growth Agenda (Available for projects under the Investing in our Growth Agenda Strategy)	Borrowing	15,000,000	15,000,000									30,000,000	Originally a total fund of £40m - funding has subsequently been allocated to projects such as Barley Home
AME Units, Suffolk Business Park - report number: CAB/WS/21/052	Borrowing	7,976,417	3,000,000									10,976,417	15,100,000
Capital Totals:		60,310,134	36,700,620	5,175,500	4,197,000	3,911,500	5,711,000	5,539,000	3,168,000	3,168,000	3,168,000	131,048,754	73,980,717

Summary of Capital Financing

Capital Receipts	5,470,500	120,000	10,000	10,000	0	0	0	0	0	0	0	5,610,500
Capital Borrowing	42,825,917	31,947,620	1,250,000	0	0	0	0	0	0	0	0	76,023,537
Earmarked Reserves	6,723,000	3,733,000	3,015,500	3,287,000	3,011,500	4,811,000	4,639,000	2,268,000	2,268,000	2,268,000	2,268,000	36,024,000
Grants & Contributions	5,290,717	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	13,390,717
Total Capital Financing:	60,310,134	36,700,620	5,175,500	4,197,000	3,911,500	5,711,000	5,539,000	3,168,000	3,168,000	3,168,000	3,168,000	131,048,754

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West Suffolk - 2024 to 2025 Capital Programme - Property Asset Management Plan Breakdown

Appendix Ci

Project Description	Outcomes	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028	2028 to 2029	2029 to 2030	2030 to 2031	2031 to 2032	2032 to 2033	2033 to 2034	Total Budget (Over 10 Years)
		Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	
Property Asset Management Plan Breakdown												
Asset Management Plan							1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Operational												
Brandon Country Park - Baby Change and Toilet Refurbishment	Thriving communities	30,000										30,000
The Apex - Replace dimmer control system and insulation	Asset Management, Operational resilience and achieving net zero	110,000										110,000
The Athenaeum - Platform Lift Replacement	Operational resilience, Thriving communities	30,000										30,000
Public Conveniences: Abbey Gardens	Thriving communities, Environmental resilience	300,000										300,000
Public Conveniences: Jubilee Walk, Haverhill	Thriving communities	30,000										30,000
Guineas Multi Storey Car Park, Newmarket - Lighting Renewal	Thriving communities, Environmental resilience	15,000										15,000
Parkway Multi-Storey Car Park, Bury St Edmunds - Fire alarm replacement	Operational resilience	50,000										50,000
The Athenaeum - Replace ballroom spring floor	Thriving Communities		50,000									50,000
Guineas Multi-Storey Car Park - Life Care Programme	Operational resilience		300,000									300,000
Underground Car Park - Life Care Programme	Operational resilience			300,000								300,000
West Stow Country Park - Museum and Café roof covering renewal	Operational resilience, Thriving communities				125,000							125,000
Housing - residential and temp accomodation												
Eastgate Street, BSE - Re-roofing and decoration	Affordable, available and decent homes	100,000										100,000
Fitzroy Street, Newmarket - Damp treatment and refurbishment	Affordable, available and decent homes, Environmental resilience	75,000										75,000
Eastgate Street, BSE - Thermal upgrade, removal of gas heating	Affordable, available and decent homes, Environmental resilience		50,000									50,000
Fitzroy Street, Newmarket - Thermal upgrade and refurbishment	Affordable, available and decent homes, Environmental resilience				250,000							250,000
Bury St Edmunds Cemetery House - Refurbishment and thermal upgrade	Affordable, available and decent homes, Environmental resilience			150,000								150,000
Wideham Cottages, West Stow - Thermal upgrade and refurbishment	Affordable, available and decent homes, Environmental resilience			450,000								450,000
Leisure												
Haverhill Leisure Centre - MUGA Lights and flumes	Thriving communities, Environmental resilience		582,000									582,000
Haverhill Leisure Centre - major plant replacement	Thriving communities, Environmental resilience					700,000						700,000
Brandon Leisure Centre - MUGA replacement	Thriving communities				300,000							300,000
Commercial estate (maximise rental levels, EPC upgardes, Asset management works)												

West Suffolk - 2024 to 2025 Capital Programme - Property Asset Management Plan Breakdown

Appendix Ci

Project Description	Outcomes	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028	2028 to 2029	2029 to 2030	2030 to 2031	2031 to 2032	2032 to 2033	2033 to 2034	Total Budget (Over 10 Years)
		Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	
2 & 5 Craven Way, Newmarket - Re-roofing and refurbishment	Sustainable growth, Environmental resilience	500,000										500,000
20A Hampstead Avenue, Mildenhall - Re-roofing and refurbishment	Sustainable growth, Environmental resilience	200,000										200,000
57 Eastern Way, Bury St Edmunds - Re-roofing and LED lighting	Sustainable growth, Environmental resilience	200,000										200,000
Studlands Park Unit 6, Newmarket - Refurbishment	Sustainable growth, Environmental resilience	75,000										75,000
21 - 27 Hollands Road - Re-roofing and energy upgrades	Sustainable growth, Environmental resilience	300,000										300,000
Piperell Way industrial units - Overroof project	Sustainable growth, Environmental resilience	300,000										300,000
Severn Road, Enterprise Units - Re-roofing and fire alarm system	Sustainable growth, Environmental resilience	50,000										50,000
17-18 Cornhill (Former post office) - Partial fit out if required	Sustainable growth	100,000										100,000
Industrial and Business Units - works required	Sustainable growth, Environmental resilience		750,000	787,500	825,000	862,500						3,225,000
Redevelopment (increasing rentable space, maximising rent levels, EPC upgrades)												
33-35 High Street, Haverhill - Partial fit out if required	Sustainable growth, Environmental resilience	150,000										150,000
TOTAL		2,615,000	1,732,000	1,687,500	1,500,000	1,562,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	14,097,000

West Suffolk - 2024 to 2025 Capital Programme - Car Parking Improvements Breakdown

Appendix Cii

	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028	2028 to 2029	2029 to 2030	2030 to 2031	2031 to 2032	2032 to 2033	2033 to 2034	Total Budget (Over 10 Years)
Project Description	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget	Total Budget (Over 10 Years)
Car Parks Improvements Breakdown											
Newmarket improvements - market place car park resurfacing works	80,000										80,000
Electric Vehicle Charging Points (across the district)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	720,000
Resurfacing Works	200,000										200,000
Bury Leisure Centre - Car Park Improvements	80,000										80,000
TOTAL	360,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	1,080,000

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West Suffolk - 2024 to 2025 Capital Programme - Leisure Asset Management Plan Breakdown

Appendix Ciii

Project Description	2024 to 2025 Total Budget	2025 to 2026 Total Budget	2026 to 2027 Total Budget	2027 to 2028 Total Budget	2028 to 2029 Total Budget	2029 to 2030 Total Budget	2030 to 2031 Total Budget	2031 to 2032 Total Budget	2032 to 2033 Total Budget	2033 to 2034 Total Budget	Total Budget (Over 10
Leisure Asset Management Plan Breakdown											
Leisure Asset Management Scheme		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,700,000
De-silt of Holywater Meadows, Bury St Edmunds	60,000										60,000
Puddlebrook Playing Fields, Haverhill - Football Changing Room	63,000										63,000
Alderton Close, Haverhill - Knee high railing replacement	12,000										12,000
Green Road, Newmarket - renewal of play area	35,000										35,000
Heasman Close, Newmarket - renewal of play area	35,000										35,000
Woodcock Rise, Brandon - renewal of play area	35,000										35,000
Lowry Close, Haverhill - renewal of play area	60,000										60,000
TOTAL	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000

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Reserve details - see councils statement of accounts (link below) for further details on reserve descriptions.	2024 to 2025	2024 to 2025	2024 to 2025	2024 to 2025	2024 to 2025	2025 to 2026	2025 to 2026	2025 to 2026
	Forecast opening balance £	Budgeted contribution to reserve £	Budgeted contribution from reserve £	Budgeted reserve transfers £	Budgeted closing balance £	Budgeted contribution to reserve £	Budgeted contribution from reserve £	Budgeted closing balance £
Strategic reserves								
Strategic priorities and Medium Term Financial Strategy (MTFS) reserve - see also appendix 3a	2,589,679	2,856,110	(2,301,700)	0	3,144,089	1,756,110	(601,700)	4,298,499
Investing in our growth agenda reserve - see also appendix 3b	524,901	0	0	0	524,901	0	0	524,901
Business rates retention pilot: place-based reserve - see also appendix 3c	1,542,541	0	(1,280,149)	0	262,392	0	0	262,392
Financial planning reserves								
Invest to save reserve	5,000,066	0	0	0	5,000,066	0	0	5,000,066
Business rates retention equalisation reserve	7,414,463	2,194,350	0	(3,500,000)	6,108,813	0	0	6,108,813
Housing benefits equalisation reserve	397,396	0	0	0	397,396	0	0	397,396
Anglia Revenues Partnership (ARP) reserve	726,084	4,129	0	0	730,213	6,059	0	736,272
Capital project financing and interest equalisation reserve	9,509,753	675,000	(1,000,000)	(250,000)	8,934,753	270,000	(720,000)	8,484,753
Self insured reserve	376,602	20,000	(20,000)	0	376,602	20,000	(20,000)	376,602
Election reserve	243,978	70,000	0	0	313,978	70,000	0	383,978
Planning reserve	206,609	356,000	(466,000)	0	96,609	300,000	(188,000)	208,609
Service delivery reserves								
Computer equipment reserve	89,354	180,290	(180,290)	0	89,354	180,290	(180,290)	89,354
Office equipment reserve	270,057	45,000	(20,000)	0	295,057	45,000	(20,000)	320,057
Vehicle, plant and equipment reserve	2,225,438	1,007,798	(998,000)	0	2,235,236	1,007,798	(1,161,000)	2,082,034
Waste management reserve	136,728	173,600	(128,600)	0	181,728	128,600	(128,600)	181,728
Car park development reserve	763,567	550,080	(360,000)	0	953,647	550,080	(540,000)	963,727
Building repairs reserve - property - see also appendix 3d	4,632,140	1,700,000	(4,492,350)	3,750,000	5,589,790	1,700,000	(3,135,705)	4,154,085
Industrial unit service charge reserve	120,477	0	0	0	120,477	0	0	120,477
Industrial rent reserve	268,149	0	0	0	268,149	0	0	268,149
Building repairs reserve - leisure	125,372	300,000	(300,000)	0	125,372	300,000	(300,000)	125,372
Abbey gardens donation reserve	29,016	0	0	0	29,016	0	0	29,016
Newmarket Stallion statue reserve	20,809	0	0	0	20,809	0	0	20,809
Housing options reserve	1,901,740	1,306,540	(1,154,765)	0	2,053,515	1,232,805	(1,173,446)	2,112,874
Section 106 reserves								
Commuted maintenance reserve	1,296,392	0	(60,569)	0	1,235,823	0	(60,569)	1,175,254
Public Service Village (PSV) reserve	42,446	0	0	0	42,446	0	0	42,446
S106 monitoring officer reserve	0	24,000	(24,000)	0	0	24,000	(24,000)	0
S106 revenue reserve	80,287	0	0	0	80,287	0	0	80,287
Other reserves								
Gershom Parkington reserve	588,934	8,300	(6,163)	0	591,071	8,300	(6,286)	593,085
Total budgeted reserves:	41,122,978	11,471,197	(12,792,586)	0	39,801,589	7,599,042	(8,259,596)	39,141,035

Please click the link below to access the council's Statement of Accounts webpage where further explanations of the purposes of these reserves can be found

[Statement of accounts \(westsuffolk.gov.uk\)](https://www.westsuffolk.gov.uk/statement-of-accounts)

Reserve details - see councils statement of accounts (link below) for further details on reserve descriptions.	2026 to 2027	2026 to 2027	2026 to 2027	2026 to 2027	2027 to 2028	2027 to 2028	2027 to 2028
	Budgeted opening balance £	Budgeted contribution to reserve £	Budgeted contribution from reserve £	Budgeted closing balance £	Budgeted contribution to reserve £	Budgeted contribution from reserve £	Budgeted closing balance £
Strategic reserves							
Strategic priorities and Medium Term Financial Strategy (MTFS) reserve - see also appendix 3a	4,298,499	0	(501,700)	3,796,799	0	(501,700)	3,295,099
Investing in our growth agenda reserve - see also appendix 3b	524,901	0	0	524,901	0	0	524,901
Business rates retention pilot: place-based reserve - see also appendix 3c	262,392	0	0	262,392	0	0	262,392
Financial planning reserves							
Invest to save reserve	5,000,066	0	0	5,000,066	0	0	5,000,066
Business rates retention equalisation reserve	6,108,813	0	0	6,108,813	0	0	6,108,813
Housing benefits equalisation reserve	397,396	0	0	397,396	0	0	397,396
Anglia Revenues Partnership (ARP) reserve	736,272	1,100	0	737,372	1,100	0	738,472
Capital project financing and interest equalisation reserve	8,484,753	180,000	(120,000)	8,544,753	180,000	(120,000)	8,604,752
Self insured reserve	376,602	20,000	(20,000)	376,602	20,000	(20,000)	376,602
Election reserve	383,978	70,000	0	453,978	70,000	(240,000)	283,978
Planning reserve	208,609	300,000	(302,999)	205,610	300,000	(293,000)	212,610
Service delivery reserves							
Computer equipment reserve	89,354	180,290	(180,290)	89,354	180,290	(180,290)	89,354
Office equipment reserve	320,057	45,000	(20,000)	345,057	45,000	(20,000)	370,057
Vehicle, plant and equipment reserve	2,082,034	1,007,798	(948,000)	2,141,832	1,007,798	(1,407,000)	1,742,630
Waste management reserve	181,728	128,600	(128,600)	181,728	128,600	(128,600)	181,728
Car park development reserve	963,727	550,080	(80,000)	1,433,807	550,080	(80,000)	1,903,887
Building repairs reserve - property - see also appendix 3d	4,154,085	1,700,000	(3,160,810)	2,693,275	1,700,000	(3,074,215)	1,319,060
Industrial unit service charge reserve	120,477	0	0	120,477	0	0	120,477
Industrial rent reserve	268,149	0	0	268,149	0	0	268,149
Building repairs reserve - leisure	125,372	300,000	(300,000)	125,372	300,000	(300,000)	125,372
Abbey gardens donation reserve	29,016	0	0	29,016	0	0	29,016
Newmarket Stallion statue reserve	20,809	0	0	20,809	0	0	20,809
Housing options reserve	2,112,874	1,232,805	(1,192,127)	2,153,552	1,232,805	(1,210,808)	2,175,549
Section 106 reserves							
Commuted maintenance reserve	1,175,254	0	(60,569)	1,114,685	0	(60,569)	1,054,116
Public Service Village (PSV) reserve	42,446	0	0	42,446	0	0	42,446
S106 monitoring officer reserve	0	24,000	(24,000)	0	24,000	(24,000)	0
S106 revenue reserve	80,287	0	0	80,287	0	0	80,287
Other reserves							
Gershom Parkington reserve	593,085	8,300	(6,412)	594,973	8,300	(6,538)	596,735
Total budgeted reserves:	39,141,035	5,747,973	(7,045,507)	37,843,501	5,747,973	(7,666,720)	35,924,754

Please click the link below to access the council's Statement of accounts

[Statement of accounts \(westsuffolk.gov.uk\)](https://www.westsuffolk.gov.uk)

This reserve was set up in order to provide the financial capacity, either through direct investment - revenue and/or capital - or through servicing external borrowing, for West Suffolk Council to drive forward the delivery of a sustainable Medium Term Financial Strategy (MTFS) and the delivery of the Strategic Plan.

The primary source for the funding of this reserve has previously been the New Homes Bonus Grant.

The projections below currently assume a level of New Homes Bonus and Funding Guarantee contributions up to 2025 to 2026, however this will be reviewed annually in line with the revised grant determinations and the overall budget position.

The table below summarises the proposed contributions to and from this reserve for the term of the MTFS.

Details	2024 to 2025 Total budget £	2025 to 2026 Projected budget £	2026 to 2027 Projected budget £	2027 to 2028 Projected budget £
Budgeted opening balance	2,589,679	3,144,089	4,298,499	3,796,799
Budgeted contributions to reserve				
Contribution to reserve from New Homes Bonus grant (see also attachment D appendix 1 - Medium Term Financial Strategy)	815,078	815,078	0	0
Element of New Homes Bonus reduction from the Funding Guarantee Grant	941,032	941,032	0	0
Suffolk Public Sector Leaders redistributed share of Business Rate Pool income (2024 to 2025 only)	1,100,000	0	0	0
Total contributions to reserve:	2,856,110	1,756,110	0	0
Budgeted Contributions from Reserve				
Community chest and locality budget funding	(501,700)	(501,700)	(501,700)	(501,700)
St Felix, Newmarket, Leisure Provision (Capital Programme)	(800,000)	0	0	0
Establish a commissioning pot to progress a number of sustainable growth objectives including the economic potential of Brandon and the A1307, A11 and A14 corridors	(500,000)	0	0	0
Establish a fund to support the objective 'Develop and improve access to a programme of activities and advice for residents facing challenges as a result of the cost-of-living crisis', delivery model to be considered	(100,000)	(100,000)	0	0
Extraordinary utility support for Abbeycroft to protect against swimming pool closures and reduction in provision.	(300,000)	0	0	0
Provision to identify more ways in which the council can increase affordable, preferably social housing, across the district, including investigating the use of a Housing Revenue Account so that the council can build homes for social and affordable rent.	(100,000)	0	0	0
Total contributions from reserve:	(2,301,700)	(601,700)	(501,700)	(501,700)
Budgeted closing balance:	3,144,089	4,298,499	3,796,799	3,295,099

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This reserve has been set up in order to support the delivery of the council's growth agenda.

The balance on this remains earmarked towards support of the strategy and delivery of our growth priorities, alongside the balance of the "Investing in our Growth Agenda" capital fund (detailed in the capital programme).

Details	2024 to 2025 Total budget £	2025 to 2026 Projected budget £	2026 to 2027 Projected budget £	2027 to 2028 Projected budget £
Budgeted opening balance	524,901	524,901	524,901	524,901
Budget contributions from reserve				
Further utilisation of this reserve will be considered as and when further projects and opportunities are identified.				
Total contributions from reserve:	0	0	0	0
Budgeted closing balance:	524,901	524,901	524,901	524,901

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Business Rates Retention Pilot: Place-Based Reserve

Appendix D(iii)

This reserve has been set up in order to hold the benefit from the Suffolk 100 per cent Business Rate retention Pilot in 2018 to 2019. It will be utilised against projects as agreed by the district and county leaders in West Suffolk.

The table below summarises the proposed contributions from this reserve for the term of the Medium Term Financial Strategy. The balance has been provisional allocated in full, however the timing of the remaining balance is still being confirmed.

Details	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2024 to 2025	2025 to 2026	2026 to 2027	2027 to 2028
	Actuals £	Actuals £	Actuals £	Actuals £	Actuals £	Forecast Spend £	Projected budget £	Projected budget £	Projected budget £	Projected budget £
Opening balance	0	2,588,514	3,128,848	3,057,796	2,146,604	1,633,053	1,542,541	262,392	262,392	262,392
Contributions to reserve										
Business rates pilot monies received	2,788,514	119,254	0	0	0	0	0	0	0	0
Additional agreed contribution from Suffolk public sector leaders	0	500,000	0	0	0	0	0	0	0	0
Total contributions to reserve:	2,788,514	619,254	0	0	0	0	0	0	0	0
Contributions from reserve										
Western Way feasibility	(200,000)	(78,920)	(37,387)	(611,097)	(330,972)	0	0	0	0	0
Youth unemployment/not in employment, education or training (NEET) scheme (West Suffolk College)	0	0	(27,000)	0	0	0	0	0	0	0
Social prescribing project - £500,000 maximum funding from 2021 to 2023 (see also attachment E appendix I - Strategic Priorities and MTFS reserve)	0	0	(6,665)	(300,095)	(22,579)	(90,512)	(80,149)	0	0	0
Part funding for renovation of 17/18 Cornhill, Bury St Edmunds	0	0	0	0	(160,000)	0	0	0	0	0
Part funding for St Felix Leisure Provision, Newmarket	0	0	0	0	0	0	(1,200,000)	0	0	0
Total contributions from reserve:	(200,000)	(78,920)	(71,052)	(911,192)	(513,551)	(90,512)	(1,280,149)	0	0	0
Budgeted Closing Balance:	2,588,514	3,128,848	3,057,796	2,146,604	1,633,053	1,542,541	262,392	262,392	262,392	262,392

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This reserve was set up 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 (such as interest rate payable). This reserve is also available to underwrite feasibility costs for the council in the event projects don't progress to completion.

Details	2024 to 2025 Total budget £	2025 to 2026 Projected budget £	2026 to 2027 Projected budget £	2027 to 2028 Projected budget £
Budgeted opening balance	9,509,753	8,934,753	8,484,753	8,544,753
Budgeted contributions to reserve				
Budgeted underspend on borrowing costs/increased interest receivable	675,000	270,000	180,000	180,000
Total contributions to reserve:	675,000	270,000	180,000	180,000
Budgeted contributions from reserve				
17/18 Cornhill commercial unit holding costs for next 12 months	(150,000)	0	0	0
Olding Road depot / warehouse holding costs - to be reviewed as part of the emerging business case for the site	(300,000)	(300,000)		
Provincial House holding costs whilst construction take place	(250,000)	0	0	0
Barley Homes dividend, difference to budget as a result of timing of development, to be reviewed as part of the annual business plan and budget process. Additional dividend received in 2023/24 in anticipation for 2024/25 and credited previously to this reserve	(300,000)	(300,000)		
Growth Income Assumptions, assumption to cover net benefit associated with using the residual fund, to be reviewed once business cases come forward	0	(120,000)	(120,000)	(120,000)
Transfer to Building Repairs Reserve to cover project holding costs previously funded from the reserve	(250,000)	0	0	0
Total contributions from reserve:	(1,250,000)	(720,000)	(120,000)	(120,000)
Budgeted closing balance:	8,934,753	8,484,753	8,544,753	8,604,753

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This reserve has been set up in order to support the delivery of the council's asset management plan.

The table below summarises the proposed contributions from this reserve for the term of the Medium Term Financial Strategy.

Details	2024 to 2025 Total budget £	2025 to 2026 Projected budget £	2026 to 2027 Projected budget £	2027 to 2028 Projected budget £
Budgeted opening balance	4,632,140	5,589,790	4,154,085	2,693,275
Budgeted contributions to reserve				
Revenue contributions from services	1,700,000	1,700,000	1,700,000	1,700,000
Transfer from Capital Financing Reserve	250,000			
Transfer from Business Rates Equalisation reserve	3,500,000	0	0	0
Total contributions from reserve:	5,450,000	1,700,000	1,700,000	1,700,000
Budget contributions from reserve				
Contributions toward revenue repair and maintenance spend	(1,427,350)	(1,403,705)	(1,473,310)	(1,574,215)
Capital Programme:				
Asset Management Plan (see also Appendix C (i))	(2,615,000)	(1,732,000)	(1,687,500)	(1,500,000)
Bury Leisure Centre project (previous allocation toward roof)	(450,000)			
Total contributions from reserve:	(4,492,350)	(3,135,705)	(3,160,810)	(3,074,215)
Budgeted closing balance:	5,589,790	4,154,085	2,693,275	1,319,060

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Fees and Charges Changes 2024 to 2025

1. Background and process

- 1.1 In line with the West Suffolk Council Fees and Charges Policy, the following principles are applied when reviewing fees and charges:
- When the law allows
 - When charging is in line with the council's strategic framework and Medium Term Financial Strategy
 - For discretionary services (in line with the principle of 'user pays')
 - For services provided through a Service Level Agreement
 - When the receipt from charging outweighs the cost of administration
 - Fees and charges will not be applied where their use would have significant negative consequences in terms of the council's duty to promote equality of opportunity and protect groups who share a protected characteristic.
- 1.2 The principles governing what level the Fees & Charges should be considered at, are set out in the agreed policy and the review as part of the 2024 to 2025 budget process looked to ensure:
- Ensure consistency of approach alongside the policy specifically against the principles such as cost recovery/user pay/behaving more commercially
 - Capture all proposed price changes within one review
 - Provide appropriate visibility for those pricing decisions that are likely to have significant public interest (including those over 5% annual increase - in line with the Constitution)
- 1.3 As part of the process of arriving at the budget and medium-term income forecasts each of the individual fees and charges were reviewed with each service manager.

2 Changes in Fees and Charges for 2024 to 2025

- 2.1 The table in Attachment A(i) lays out the individual Fees and Charges that are changing with the 12 months of the annual budget for 2024 to 2025. They are split between the price increase of more than 5% and those that are less than 5% but still of public interest.

3 Fees and Charges – Out of Scope

- 3.1 There are a number of Fees & Charges which are out of scope of this Appendix due to:
- Being part of a specific review.
 - Charges set on a longer review timetable.

- Being statutorily set and therefore out of the control of West Suffolk Council
- Are event specific and therefore not standard.
- Commercial sensitivity.

3.2 These areas that are not included within the table at 3.1 are:

- Trade Waste – Not published due to commercial sensitivity.
- Apex Tickets – Event specific pricing.
- Fees and Charges that are not in the control (statutory) of West Suffolk i.e.
 - o Planning Fees
 - o Gambling Licences
 - o Environmental Licences
 - o Premises Licences
 - o Hazardous Waste Collection
 - o Rental costs which are not included as part of Fees & Charges.

Appendix E (i) - Fees & Charges

Price Increase of Public Interest (increases of less than 5% included)

Service Area - Car Parking	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
<p>The Council operates 30 town centre car parks across West Suffolk providing approximately 5,400 parking spaces. All the car parks are managed and enforced under the Traffic Management Act 2004, with Traffic Regulation Orders (TROs) in place which specify parking charges and time restrictions in each car park. The last major review to the TRO's was in 2021 following a Car Parking Review (agreed by Cabinet in February 2020) and mainly implemented after the COVID Pandemic.</p> <p>A number of options are available to maximise income or reduce expenditure in Off Street car parks, in support of the Council's budgetary pressures or feedback from businesses/users. Further supporting information is available on these options in the separate Car Parking Cabinet report.</p> <p>All options would require an amendment to Traffic Regulation Order's pertaining to all our car parks. A period of 3 months is needed to draft the Orders, advertise the changes for public consultation (a statutory period of 21 days) and seal the orders on completion. Given the nature of the changes, around a month is required to make the technical changes to the payment machines, Ringo phone payments and signage.</p>				
Car Parking	Introduce Evening Charging at 8pm (from 6pm) in BSE only.	Standard tariffs	0.00%	£1.00
Car Parking	Cattlemarket/School Yard Tariff Variations - 4 Hours Stay	£6.00	0.00%	3 Hours current max. @ £4
Car Parking	Reduction in number of coin payment machines	No change to tariffs		No change to tariffs

Fees and charges - price increases greater than 5 per cent

Service Area - Garden Waste	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
The Garden Waste (Brown Bin) subscription fees are planned to increase by £3 in June 2024, followed by a further £3 increase from June 2025. This increase is to cover the increasing costs of supplying the services and is also benchmarked across other Garden Waste services supplied across Suffolk (East Suffolk £50 pa, Babergh £59 pa, Mid Suffolk £59 pa)				
Garden Waste	Annual subscription for garden waste	£50.00	6.38%	£47.00
Service Area - Bulky Waste	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
Following the increase last year, service demand continues to be high. Charges have increased to reflect inflation (staff, vehicles, fuel etc.) and these charges are in line with other Suffolk councils (based on current year). Residents have a range of other options to dispose of unwanted items such as private selling, charity donation, drop off at the household recycling centre (disposal or reuse) and to contact third party collectors, including retailers supplying replacement goods. A discounted rate continues to be offered for those households in receipt of Council Tax Reduction.				
Bulky Waste	Collection of bulky waste - 5 items	£50.00	11.11%	£45.00
Bulky Waste	Collection of bulky waste - 10 items	£100.00	11.11%	£90.00
Bulky Waste	Collection of bulky waste - 15 items	£150.00	11.11%	£135.00
Bulky Waste	Collection of bulky waste (50% Discounted rate) annual	£25.00	11.11%	£22.50
Service Area - Hazardous Waste	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
From December 2023, a new Suffolk-wide contract will be in place to enable households to dispose of their hazardous waste such as paint, solvents, pesticides etc. This is a more streamlined service and will continue to be a collection only service with a charge to the household. The full range of charging options is under review.				
Hazardous Waste	Standard 25 days	£53.00	11.30%	£47.62
Service Area - Waste Collection	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
The new fees reflect the increase in the purchase price of bins (due to raw material price increases) and continuation of the policy agreed in 2022 regarding the charging for replacement bins e.g. if the household damages or loses their bin. The replacement bin charge does not reflect the full costs including bin delivery.				
The cost for the distribution of recycling sacks (postage) has increased and the price has been increased accordingly.				
Waste Collection	Provision of replacement bins - 240lt Black/blue	£33.00 + VAT	10.00%	£30.00 + VAT
Waste Collection	Provision of large bins (660lt/1100lt)	£140/£160 + VAT		
Waste Collection	Provision of larger recycling bin request (360lt)	£50.00	11.11%	£45.00
Waste Collection	Provision of recycling sacks - roll of 10	£4.00	33.33%	£3.00
Waste Collection	Single empty of one bin	£20.00	10.00%	£16.00
Waste Collection	Provision of new bins to developers (1 x 240 recycling; 1 x 240 residual)	£80.00 + VAT	33.33%	£60.00 +VAT

Service Area - Parks Service	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
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The setting of fees and charges for activities and facilities in West Suffolk's parks and open spaces are reviewed on an annual basis from a cost recovery perspective in terms of time and resource required to deliver the service. An annual review of fees and charges is an integral part of the annual service planning cycle and the anticipated income forms part of the councils base budget. The only items that come through with a greater than 5% price increase for 2024 to 2025 are listed below.

Parks Service	Utilities - Water	£8.00	6.67%	£7.50
Parks Service	Sponsored Charity runs/rides/walks - 101 to 500 attendance	£176.50	5.06%	£168.00
Parks Service	Sponsored Charity runs/rides/walks - 501 to 1000 attendance	£320.00	5.09%	£304.50
Parks Service	Minor Events - <50 people	£27.50	5.77%	£26.00
Parks Service	Non Commercial Public Events - 1001-2500 people	£634.00	5.01%	£603.75
Parks Service	Non Commercial Public Events - 2501-5000 people	£865.50	5.00%	£824.29

Service Area - Cemeteries Service	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
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A benchmarking exercise has been undertaken to ensure that our charges are in line with other burial authorities in the region and continue to cover the costs of delivering the cemeteries service. This has resulted in some significant changes in the pricing structure.

Cemeteries Service	Standard Lawn type grave including headstone base (where applicable) (50 years ERB)	£1,050.00	9.95%	£955.00
Cemeteries Service	Large lawn type grave including head stone base (where applicable) (50 years ERB)	£1,140.00	9.83%	£1,038.00
Cemeteries Service	Person 12 years plus standard lawn type grave (for depth 1,2 or 3)	£851.00	9.95%	£774.00
Cemeteries Service	Person 12 years plus large lawn type grave (for depth 1,2 or 3)	£913.00	10.00%	£830.00
Cemeteries Service	Child up to the age of 12 years in a child grave only Please note: depth for one interment only	£105.00	5.00%	£100.00
Cemeteries Service	Still born babies and children up to three weeks old (including: NVF) Please note: depth for one interment only	£58.00	5.45%	£55.00
Cemeteries Service	Interment of cremated remains in an earthen grave (either loose or in a casket)	£240.00	5.26%	£228.00
Cemeteries Service	Interment of cremated remains in below ground vault	£240.00	5.26%	£228.00
Cemeteries Service	Interment of cremated remains in above ground vault	£240.00	5.26%	£228.00
Cemeteries Service	Permit for right to install a new memorial on any type of grave	£120.00	5.26%	£114.00
Cemeteries Service	Transfer of Exclusive Right of Burial/Production of Statutory Declaration for lost deed	£70.00	11.11%	£63.00
Cemeteries Service	Memorial trees (various) offering a 15 year lease including a dedication plaque. (interring of cremated remains under tree is not permitted)	£630.00	5.35%	£598.00

Service Area - Heritage Service	Fee/Charge Description	2024/25 Fee/Charge Amount	2024/25 % increase	2023/24 Fee/Charge Amount
The pricing for entrance to our heritage sites has been reviewed across the board with the removal of some charges alongside some price increases and the removal of some concessions. This is to retain a good value offering whilst ensuring income across the offering is sustained.				
Heritage Service	West Stow Day ticket - Adult	£7.00	0.00%	£7.00
Heritage Service	West Stow Day ticket - Concessions	Propose to remove concessions		£6.00
Heritage Service	West Stow Day ticket - Children	£4.00	0.00%	£4.00
Heritage Service	West Stow Day ticket - Family	£21.00	0.00%	£21.00
Heritage Service	West Stow Annual ticket - Adult	£16.00	14.29%	£14.00
Heritage Service	West Stow Annual ticket - Concessions	Propose to remove concessions		£12.00
Heritage Service	West Stow Annual ticket - Children	£8.00	0.00%	£8.00
Heritage Service	West Stow Annual ticket - Family	£46.00	9.52%	£42.00
Heritage Service	Moyes Hall Heritage ticket - Adult	£16.00	14.29%	£14.00
Heritage Service	Moyes Hall Heritage ticket - Concession	Propose to remove concessions		£12.00
Heritage Service	Moyes Hall Heritage ticket - Children	£10.00	25.00%	£8.00
Heritage Service	Moyes Hall Heritage ticket - Family	£46.00	9.52%	£42.00
Heritage Service	Moyes Hall Day ticket - Adult	£6.00	-14.29%	£7.00
Heritage Service	Moyes Hall Day ticket - Concession	Propose to remove concessions		£6.00
Heritage Service	Moyes Hall Day ticket - Children	£3.00	-40.00%	£5.00
Heritage Service	Moyes Hall Day ticket - Family	£20.00	0.00%	£20.00

Internal Audit Report on Bank Mandate Fraud

Report number:	PAS/WS/24/002	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	

Decisions Plan: This item is not required to be 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:

1. Notes the contents of this report

1. Context to this report

- 1.1 Mandate fraud, sometimes known as 'payment diversion fraud' or 'business email compromise', occurs when someone purporting to be from a genuine supplier contacts the council with a request to change bank account details that payments are made to. If the request is actioned, the payments will then be made to the fraudster's bank account.
- 1.2 The council was subject to a bank mandate fraud in July 2023 resulting in payment being made to a fraudster instead of the intended supplier following the supplier being the subject of a cyber-attack of its email, unknown to the supplier or the council at the time. While this incident was extremely regrettable many organisations are unfortunately affected by such scams, and this is the first time the council has been defrauded in this way.
- 1.3 This fraud incident was previously reported to the Performance and Audit Scrutiny Committee in the Internal Audit Mid-Year Report in November 2023. **Appendix A** and **Exempt Appendix B** build on the information contained within that report and provides additional information requested by members.
- 1.4 **Appendix A** explains what happened and actions taken to mitigate the risk of fraud re-occurring while omitting any specific details which could identify parties involved or give fraudsters information that could be useful to them. These specific details are included for members information at **Appendix B** which is therefore an exempt paper not for publication.

2. Proposals within this report

- 2.1 This report sets out additional information regarding the mandate fraud to further inform members.

3. Alternative options that have been considered

- 3.1 No alternative options were considered.

4. Consultation and engagement undertaken

- 4.1 This report was prepared in consultation with the Portfolio Holder for Resources and Property, S151 Officer, Service Manager (Finance and Procurement), and Monitoring Officer.

5. Risks associated with the proposals

5.1 Any relevant risks are covered within the report

6. Implications arising from the proposals

6.1 Any implications arising are covered at Appendices A and B.

7. Appendices referenced in this report

7.1 **Appendix A** – Internal Audit Report on Bank Mandate Fraud

7.2 **EXEMPT Appendix B** - Internal Audit Report on Bank Mandate Fraud
– Additional Information

8. Background documents associated with this report

8.1 [Internal Audit Mid-Year Progress 2023-24](#)

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Bank Mandate Fraud

1. Introduction - what is mandate fraud?

- 1.1 Mandate fraud, sometimes known as 'payment diversion fraud' or 'business email compromise', occurs when someone purporting to be from a genuine supplier contacts the council with a request to change bank account details that payments are made to. If the request is actioned, the payments will then be made to the fraudster's bank account.
- 1.2 This type of fraud is targeted at both the public and private sector as well as individuals. The National Crime Agency has stated that in the year to September 2021 (these are the most current figures reported) there were reported losses of around £152m and over 4,600 individual cases.
- 1.3 Criminals are very sophisticated in hacking accounts and compromising emails for mandate fraud, sometimes spending many weeks or months harvesting data or social engineering prior to changing the bank account details. As in the case that targeted the council, a business or supplier's emails are compromised by the fraudsters who then have control of them. Therefore, the fraudsters can use the company's actual email address rather than an address which is a close copy and therefore much harder to detect.
- 1.4 The council was subject to such an incident in early July 2023 resulting in a payment of approximately £52,000 being made to a fraudster instead of the intended supplier. This is the first time that the council has been defrauded in this way, and there are recent examples of where controls have prevented such frauds.
- 1.5 This Appendix is intended to give sufficient information to inform about what happened and actions taken to mitigate the risk of fraud recurring without providing specific details that could identify parties involved or give potential fraudsters information that could be potentially useful to them. There is an accompanying blue paper (not for publication) which contains more specific detail which will be reviewed by elected members.
- 1.6 This fraud incident was previously reported in the Internal Audit Mid-Year Report in November 2023. This report sets out additional information regarding the fraud to further inform members.

2. Circumstances around the fraud

- 2.1 In late June and early July 2023 a series of e-mail communications were received from a known supplier and verified e-mail address. These communications included a change of bank details and an invoice.
- 2.2 Unfortunately, although the email was from the correct and verified address, our supplier had been the subject of a sophisticated cyber-attack and at this stage an additional internal process to verify bank account changes was not correctly followed and as a result, this invoice was included in a payment run in early July.
- 2.3 Our banking partner notified us of a potential fraud whilst the payment was in transition and although staff responded promptly at this point contacting the supplier to verify the bank change and then reporting to our banking partner that the payment should be stopped, our banking partner could not prevent the payment being made to the fraudulently provided bank account. There is further detail on this included in the accompanying blue paper (not for publication).
- 2.4 In this circumstance, once the payment was made, the risk of failure to recover the fraudulently obtained money sits with the payer.

3. What actions were taken when the fraud was discovered?

- 3.1 Upon discovery of the fraud, the immediate steps taken were to contact the receiving bank to seek recovery, the police (through their Action Fraud reporting centre) and the issuing bank to review potential avenues of escalation. All other potential payments to the supplier were put on hold. This was all done on the day that the fraud was uncovered.
- 3.2 Following this initial response communication continued with the supplier, the banks, law enforcement, legal advisors, e-mail providers and other connected agencies in order to clarify what had occurred and to seek recovery of the amount paid.
- 3.3 Internal audit carried out an investigation which covered the circumstances around the fraud, what controls are in place to assist in the prevention of mandate fraud, where these controls had failed, and what actions should be taken to reduce the risk of any such further frauds. A report was issued to the S151 Officer covering these areas on 10 July 2023. Internal audit also confirmed that staff were not involved in perpetrating the fraud.
- 3.4 Further follow up work was also undertaken by internal audit and reported on to the S151 Officer in November 2023. This work confirmed that a number of actions, as set out below in paragraph 4.1, had been taken to reduce the risk of any similar future fraud. Further work will be

undertaken by internal audit before the Internal Audit Annual Report 2023/24 is presented to the Performance and Audit Scrutiny Committee in May 2024 to consider whether controls are operating as intended.

- 3.5 The fraud was reported to Action Fraud which is the UK's national reporting centre for fraud and cybercrime where any fraud involving being scammed, defrauded, or subject to cybercrime should be reported. Action Fraud is run by the City of London Police on behalf of all UK police forces.
- 3.6 The external auditors were also informed of the fraud.
- 3.7 Further information on actions taken is covered in the exempt paper.

4. What has been done to reduce the risk of future bank mandate fraud?

- 4.1 Actions taken include the following:
 - the intranet fraud awareness page has been revised and a news item published on the intranet
 - the service and staff involved were spoken to and training given.
 - all Service Managers have been separately reminded in writing of bank account change requirements
 - mandate fraud awareness guidance has been added to the finance team pages on the intranet including the process to follow for bank account changes
 - a training programme has been delivered to invoice processors to emphasise and reinforce required internal control processes. This was accompanied by e-mail and intranet reminders including new training video resource from the council's bank
 - the required additional checks to be carried out, and responsibilities, within the finance team have been documented to confirm a more robust check of bank mandate changes
 - A form has been created on the accounting system to record the checks completed by the finance team to validate a bank account change
 - a report has been set up within the accounting system to highlight any account changes in our supplier base. This will be run by the finance team and used to validate checks that have been performed by the commissioning service
 - awareness of fraud scams has been reinforced within the finance team

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CIPFA Guidance on Audit Committees

Report number:	PAS/WS/24/003	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
Lead member:	Councillor Peter Armitage Chair of Performance and Audit Scrutiny Committee Email: peter.armitage@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: No specific wards are impacted by this report.

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

1. Considers and agree to the proposals set out in paragraphs 2.2 to 2.10 to strengthen West Suffolk Council’s audit committee arrangements.

1. Context to this report

- 1.1 There is an increasing focus on all local authority financial and governance matters including local audit committee arrangements, given the recent failings and / or struggles of a small number of authorities.
- 1.2 In 2022 CIPFA issued a new Position Statement on Audit Committees in Local Authorities and Police, followed later that year by a new supporting publication giving practical guidance. This has been approved by CIPFA's Public Financial Management Board as CIPFA guidance and supported by the Home Office and the Department for Levelling Up, Housing and Communities (DLUHC).
- 1.3 In practice this means there is an expectation that authorities in the UK, and police bodies in England and Wales, will follow this guidance as good practice, and it also acts as a reference point for external auditors and other stakeholders. DLUHC has confirmed that the government would encourage local bodies to establish their audit committee arrangements in line with CIPFA's guidance.
- 1.4 Also, to note is that internal audit standards, which govern how internal audit teams operate, are currently in the process of being revised by the relevant external bodies. It is currently expected that the new standards will be introduced in early 2024 with a twelve-month period for implementation. When finalised, the new standards are likely to have implications for the responsibilities of the audit committee towards internal audit. A further update (at the relevant time) will be provided once the new standards are agreed.

2. Proposals within this report

- 2.1 The recent guidance from CIPFA regarding audit committees has been reviewed against the council's current arrangements, and a number of proposals are made to further strengthen these arrangements in key areas of Performance and Audit Scrutiny Committee activity. These proposals are set out in paragraphs 2.2 to 2.10 below.

2.2 **Oversight of significant collaboration arrangements and governance arrangements for the authority's partnerships**

A Shareholders Advisory Group has been established for Barley Homes, but **we propose** to also consider what oversight / governance arrangements in respect of other significant collaborations / partnerships would be appropriate. As part of this, we will look at what other councils do in this area and consider whether an annual report to the Performance and Audit Scrutiny Committee on partnerships would add value.

If following this review, a change to the Committee’s Terms of Reference is required then the Constitution Review Group will be requested to advise the Council on the necessary amendments to the constitution.

2.3 **Review by the Performance and Audit Scrutiny Committee of draft financial statements prior to external audit**

Draft financial statements are published on the website (by end of May each year) and issued to this committee alongside the outcome of the annual audit (prior to the current external audit market resource challenges this would have been around September time each year). Where the start of the annual external audit is expected to be significantly delayed (for example 9 months plus after the publication of the draft financial statements) the S151 Officer will liaise with the Chair of the committee to schedule a review of the draft financial statements prior to the start of the annual external audit, as was the case for the 2022 to 2023 draft financial statements. **No change is currently proposed** to the current approach, but we will keep this under review.

2.4 **Statement of accounts and external audit report to go to full council**

The statement of accounts and the external audit report are both currently received by the Performance and Audit Scrutiny Committee (PASC). Minutes of PASC and the Chair of PASC’s annual report include reference to the statement of accounts, audit process and outcomes of the audit, therefore full council does have visibility in this area. Therefore, **no change is currently proposed** but we will keep this under review including ensuring that PASC delegations allow for it to recommend, should it wish to do so, that full council approval of the accounts is required, particularly if there are areas of concerns highlighted in the external auditor’s report.

2.5 **The audit committee should be no more than eight members and the use of substitutes is avoided**

The council’s Constitution currently allows for up to 12 members of the Performance and Audit Scrutiny Committee and the use of substitutions. **No change in this regard is currently proposed** although it should be noted a separate report is on this agenda regarding appointing two independent members within the current 12-member total.

2.6 **Where an authority has undergone an external inspection, peer review or other intervention, an improvement programme should be developed**

An external review of internal audit's compliance with the Public Sector Internal Audit Standards was reported to the Performance and Audit Scrutiny Committee in June this year and included an action plan to make minor improvements. This practice will continue.

It is proposed that any future peer reviews / intervention action plans should be monitored through this committee. If this proposal is supported by the committee, then the Constitution Review Group will be requested to advise the Council on the necessary amendments to the constitution so that this change is included as part of the Terms of Reference for the Committee.

2.7 **The audit committee should have no other functions, and explicitly no decision-making role**

The main decision making that the Performance and Audit Scrutiny Committee is involved in is around the approval of the annual statement of accounts. **No change is currently proposed** (see paragraph 2.4) but this will be kept under review.

2.8 **Members should sit on the audit committee for no more than two full terms, to maintain independence**

Currently, members often complete a four-year term subject to political balance checks. This is reviewed annually as part of the 'Review of political balance and appointment to committees' report to Annual Council meetings.

It is proposed that membership of this committee continues to be reviewed annually as part of the annual appointment to committees process.

2.9 **Member training**

Member induction and committee training is run by a mixture of in-house training and external trainers. Externally supported training has included:

- external treasury advisors providing treasury management training.
- audit committee effectiveness training offered by the Local Government Association to audit committee chairs.
- Ernst and Young training covering:
 - the audit landscape (regulations)
 - scope of the external audit
 - how external audit work is delivered
 - what the audit opinion means
 - accounting framework

- auditing framework
 - detailed audit strategy
 - Value For Money (VFM)
 - Audit reports
 - External audit expectations concerning the role of an audit committee, and how that may impact the audit strategy and the assessment of VFM.
- an external trainer provided training on effective review of the financial statements covering:
 - overview of the law, rules and regulations surrounding the financial statements
 - how to read the financial statements and what to look for.
 - further training with the above external trainer has been arranged for February 2024 covering effective finance and budget scrutiny.

2.10 **The audit committee should have co-opted independent members – DLUHC recommend at least one and CIPFA recommend two**

A separate report is on this agenda regarding appointing independent members.

3. Alternative options that have been considered

- 3.1 There is an expectation that local authorities in the UK will follow the CIPFA guidance on audit committees as good practice, and it also acts as a reference point for external auditors and other stakeholders. Further, DLUHC has confirmed that the government would encourage local bodies to establish their audit committee arrangements in line with CIPFA's guidance. This guidance was therefore reviewed against current arrangements in place at West Suffolk Council. No other options were considered.

4. Consultation and engagement undertaken

- 4.1 This report has been prepared in consultation with the Chair of Performance and Audit Scrutiny Committee and relevant officers.

5. Risks associated with the proposals

- 5.1 If the CIPFA guidance is not followed where it makes sense to do so, there is a risk that the effectiveness of the Performance and Audit Scrutiny Committee will not be maximised.

6. Implications arising from the proposals

- 6.1 All implications arising from the proposals are covered within the report.

7. Appendices referenced in this report

- 7.1 None

8. Background documents associated with this report

- 8.1 CIPFA Audit Committees: Practical Guidance For Local Authorities and Police (2022 edition). This is a paid for publication so cannot be widely released.
- 8.2 PASC current constitutional Terms of Reference ([Scrutiny Committees Procedure Rules B1.1 – B1.3](#))

Co-opting non-elected independent members

Report number:	PAS/WS/24/004	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
Cabinet member:	Councillor Peter Armitage Chair of Performance and Audit Scrutiny Committee Email: peter.armitage@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director Resources and Property Section 151 Officer 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 Committee:

1. **Agrees to the principle of co-opting two non-elected independent members to the Performance and Audit Scrutiny Committee, as part of the current 12 membership of the committee.**
2. **Approves the approach to co-opting independent members as set out at section 2 and the next steps at 2.8 of report number: PAS/WS/24/004.**

1. Context to this report

- 1.1 As set out in report number PAS/WS/24/003 at agenda item eight, a Position Statement has been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The position statement contains several recommendations including that local authorities include at least two co-opted independent members on their audit committees.
- 1.2 Whilst the co-option of independent members is not presently a statutory requirement, it is anticipated that it will be in the future. A statement from DLUHC confirmed this: "We will be making Audit Committees, with at least one independent member, a mandatory requirement once Parliamentary time allows. We will continue to consult with partners on how this should be implemented. In the intervening period, the government would encourage local bodies to establish their arrangements in line with CIPFA's guidance, including appointing independent members."
- 1.3 Approximately a third of Councils now have independent members on their audit committees. The advantages of having independent members on the Committee are:
- To bring additional knowledge and expertise.
 - to reinforce political neutrality and independence.
 - To maintain continuity of committee membership
- 1.4 The co-opted independent member(s) would be expected to attend the meetings of the Performance and Audit Scrutiny Committee to provide an independent perspective and to give advice to the Committee based on their knowledge and experience. The co-opted members would not be able to vote on any items considered by the Committee.

2. Proposals within this report

- 2.1 The Performance and Audit Scrutiny Committee is asked to consider and discuss the proposal of the co-option of two independent members to the Committee as recommended by CIPFA. The approach to implementing this change is set out below.
- 2.2 The co-opted members will be politically independent and will be bound by the Code of Conduct in the constitution. They will be required to make a written declaration to be bound by the Code and to complete their entry in the Register of Interests within 28 days of taking office. Any alleged breaches of the Code by non-voting co-opted members will be investigated by the Monitoring Officer. This will need to be included in the constitution.

- 2.3 The constitution does not currently permit for independent members on the Committee and would need to be updated to allow for their inclusion. The constitution should also be very clear that whilst the views of the co-opted members must be considered by the Committee the co-opted members may not vote on any items. The changes to the constitution would need to be considered by the Constitution Review Group and then by Full Council.
- 2.4 It is suggested that co-opted members would be appointed for a four-year term, and they may serve for a maximum of two terms of four years. This approach is consistent with Suffolk County Council and would provide some continuity for the committee between elected administrations.
- 2.5 Remuneration and expenses for the independent co-opted members would also need to be addressed. The Local Authorities (Members' Allowances) (England) Regulations 2003 permit the Council to pay an allowance to a co-opted Member of a Committee. The Council's Independent Remuneration Panel could be requested to consider this. The fee should also be claimable where the co-opted member is required to attend training, conferences, seminars or other events as part of their role on the Committee.
- 2.6 The Committee should consider the skills and experience required for the position and will be asked to consider and approve a role profile to be used as part of the recruitment process. An example role description is included at **Appendix A** to this report.
- 2.7 The co-opted persons would be appointed by the Committee and a recruitment process would be required for a recommendation to be made to the Committee. It is suggested that an interview panel would undertake the interviews and be made up of the Chair and Vice-Chair of the Committee, supported by the Chief Executive, the Section 151 Officer and the Monitoring Officer.
- 2.8 In summary, should Members of the Performance and Audit Scrutiny Committee be supportive of seeking an Independent Member for the Committee, it is proposed that this be progressed as follows:
- The Constitution Review Group be requested to advise the Council on the necessary amendments to the constitution to provide for two non-voting Independent Members to be appointed on a term not exceeding four years.
 - The Independent Remuneration Panel be invited to advise the Council of an appropriate rate of remuneration for the role.
 - The Performance and Audit Scrutiny Committee considers the recruitment process, recruitment pack and appointment of an interview panel at a future meeting (anticipated May 2024).

- The Performance and Audit Scrutiny Committee to co-opt the independent members at their meeting in September 2024 following a successful recruitment process.

3. Alternative options that have been considered

- 3.1 Whilst there is no legislative direction to include co-opted independent Members, CIPFA's Position Statement 2022 recommends that each local authority audit committee should include at least two Co-opted Independent Members to provide appropriate technical expertise. The Position Statement is supported by The Department for Levelling Up, Housing and Communities and the Home Office.

4. Consultation and engagement undertaken

- 4.1 None required.

5. Risks associated with the proposals

- 5.1 There is a risk that the Committee will be unable to appoint an independent member with a sufficient level of knowledge and expertise to support the committee. This risk can be mitigated with a robust recruitment process with detailed documentation regarding the role.

6. Implications arising from the proposals

- 6.1 Financial - An allowance and expenses will be payable to the co-opted Independent Members on the Committee and this would need to be included in future budget setting processes.

7. Appendices referenced in this report

- 7.1 Appendix A – Example role description

8. Background documents associated with this report

- 8.1 [Government response to local audit framework: technical consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/government-response-to-local-audit-framework-technical-consultation)
- 8.2 National Audit office AO report 2019 [Local Authority governance \(nao.org.uk\)](https://www.nao.org.uk/publications/2019/07/201907-local-authority-governance/)

Appendix A

Performance and Audit Scrutiny Committee: Co-opting non-elected independent members

Example Role Description

Responsibility: To the council and to assist the Performance and Audit Scrutiny Committee in discharging its responsibilities as set out in its Terms of Reference.

Liaison with: Monitoring Officer, Section 151 Officer, Head of Paid Service, Head of Internal Audit, Chairman and members of the Performance and Audit Scrutiny Committee, other officers and councillors of the Council as required.

In particular, the Independent members will be required to assist the Committee in:

1. Providing independent assurance to the council in relation to its internal control environment.
2. Considering and commenting on reports from council officers, the external auditor and other inspection agencies.
3. Considering any significant issues arising from internal or external audit work and ensuring appropriate actions are taken for improvement.
4. Commenting on the council's arrangements to counter fraud and corruption, including effective proactive and reactive actions.
5. Assisting in the review of the annual statement of accounts, including the annual governance statement and the external auditor's report.
6. Assisting in the review and monitoring of the effectiveness of both internal and external audit.
7. Assisting the council in promoting high standards of conduct by elected and co-opted Members through, in particular, the Suffolk Code of Conduct.
8. Developing a sound understanding of the ethical framework as it operates within West Suffolk council.
9. Acting as advocate and ambassador for the council in promoting ethical behaviour.

Selection Criteria

Experience, Skills/Competencies and Knowledge

The Independent Member will have:

Skills/Competencies

- A desire to serve the local authority and a keen interest in public life
- An ability to understand complex issues and an understanding of the importance of accountability and probity in public life
- An ability to be objective and impartial, and to exercise good judgement and make sound decisions
- An ability to influence and challenge the standards of governance within the council
- An ability to analyse evidence, to question written and verbal reports and to come to rational and well-evidenced conclusions
- An ability to maintain confidentiality in relation to sensitive information
- Effective interpersonal skills, in particular strong influencing and communication skills

Appendix A

- A commitment to Equality and Diversity

Knowledge

All Members of the Audit Committee should have, or should acquire as soon as possible after appointment, an understanding of:

- the council's structure and responsibilities
- audit, financial governance and stewardship and risk management in either the public or private sectors
- the council's decision-making process
- the importance of ethical behaviour
- how risks evolve for organisations operating with finite capacity

Experience (all or some of the following)

- Financial management (accountancy, audit or management of a large budget)
- Performance and risk management in a changing environment
- Contract management
- Operating in a political environment

2023 to 2024 Performance report Quarter 3

Report number:	PAS/WS/24/005	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Director (Resources and Property) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

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

Wards impacted: **All Wards**

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

- 1. Notes** the forecast 2023 to 2024 revenue and capital positions as detailed in the report and appendices, and forwards any relevant issues or comments to Cabinet for consideration.
- 2. Notes** the risk management review process to date and forwards any relevant issues or comments to the Portfolio Holder for Resources and Property.

1. Context to this report

1.1 The council's performance management framework seeks to give councillors, officers, partners, stakeholders and residents greater understanding of progress towards achieving the council's strategic priorities set out in the [West Suffolk Council Strategic Framework 2020 to 2024](#) . In addition, it also gives an insight into the delivery of the broad range of day-to-day services to the residents and businesses of West Suffolk. Effective use of performance management information can support service improvement and seize opportunities as well as enable choices to be made about the use of resources.

1.2 This paper is part of that process. Financial performance information (monitoring against the approved budget with appropriate comment on any change) and key performance indicators sit alongside other elements of the council's performance framework that can be viewed on the [performance webpage](#).

1.3 The purpose of the performance management framework is to ensure that performance information supplied to the Performance and Audit Scrutiny Committee, Cabinet and Leadership Team clearly shows:

- progress towards strategic goals
- insight on initiatives that will ensure future progress
- areas that require decisions and actions to keep on track to their goals
- items with a significant level of risk associated with them
- flexibility in approach allowing the escalation of performance successes and challenges
- the relationship between performance indicators and financial delivery.

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

1.4 This report includes a forecast year-end 2023 to 2024 financial position for West Suffolk Council, based on the information available as at quarter 3 of the financial year. The budget against which the forecast variances are measured against was set in February 2023. Where appropriate, this budget monitoring process seeks to draw out the significant variances arising during the year, in particular the ongoing challenges around income recovery and the impacts of inflation. However, this is a forecast and with the international issues faced by the public and private sector that are affecting budgets these numbers are likely to change through the year. The reports for the previous quarters can be found here:

[2023 to 2024 Performance Report Q1](#)

[2023 to 2024 Performance Report Q2](#)

- 1.5 When producing the forecasts for the first 9 months of the year, officers have given consideration to those areas that were challenging in the previous year's outturn position, and in particular those that resulted in changes to the 2023 to 2024 budget. These, and any new areas of significant variance that may arise during the course of the year, will be closely reviewed and where appropriate taken into account when setting the 2024 to 2025 budget. The current year's budget that the forecasts will be monitored against can be found here:
[Medium Term Financial Plan](#)
- 1.6 As set out later in this report the **forecast year-end outturn as at quarter three shows an overall forecast balanced position**. This position includes the release of £0.57 million of the planned top-up to the general fund of £0.8 million. The year-end general fund balance is forecast at £5.3 million, which is higher than the originally anticipated level of £5.0 million and will be closely monitored within the final quarter of the year.
- 1.7 Without this use of the general fund allowance in year, the **deficit would be £0.57 million (which is around 0.9% of total income excluding housing benefits)**. This is made up of a number of variances to budget, including the national and international financial challenges which both the public and private sector are facing - further detailed in **Appendix B**. This is a forecast position taking into account the first three quarters of the year's actual performance and information available at this point in the year.
- 1.8 This forecast is part of our prudent financial management and will continue to be reviewed during the course of the year and is therefore liable to change. Steps are already being taken to look to mitigate, where possible, forecast cost variances to budgets to ensure the budget continues to be delivered on target by the end of the financial year. This is normal procedure for councils which include reserves (as set out later in the report) to deal with fluctuations such as this.

Income recovery

- 1.9 Council Tax covers less than a fifth of the cost of delivery services by West Suffolk Council. As such, Government requires councils to raise income to deliver services. Around 70 per cent of West Suffolk Council's budget is funded locally – council tax and local fees and charges. Income generation for public services across the UK have been severely impacted over the last few years from the pandemic including local and national lockdowns, the recovery thereafter and in addition, the cost-of-living crisis, which the Ukraine War has exacerbated, as well as increased inflation is not only impacting our communities and businesses but also adversely putting pressure on the council's budgets too.

1.10 West Suffolk Council is not alone in continuing to face these issues, although there are good signs of recovery by services and areas – some stronger than others. The data collected during the year 2022 to 2023 helped inform a revised income budget level for a number of council income streams in the 2023 to 2024 budget. The indications in the 9-month forecast are that these income streams are showing an improvement on budget expectations, further details are available in **Appendix B**.

1.11 Performance of the council's income streams will form part of in-year monitoring and will help inform our ongoing annual budget setting processes as we continue to understand if these behavioural changes are likely to become more permanent. The council is also looking at other similar services and authorities across the United Kingdom.

Impact of inflation and wider economic conditions

1.12 In addition to the ongoing effects of income recovery, other global economic pressures continue to have a major impact on the council's finances. Significant increases in energy prices, coupled with the inflationary impact on commodities from the war in Ukraine, are all contributing towards the council's budgetary pressures, both in the current year 2023 to 2024 and across the medium term. A number of these had already been taken into account for the 2023 to 2024 budget and are being monitored closely.

1.11 These wider economic pressures can be seen in the forecast year-end position for 2023 to 2024, particularly in the overspends on utilities and supplies and services. These pressures are not expected to improve in the short term, and will be continually reviewed as the year progresses and reported to this committee.

1.12 Global economic pressures have, however, had some positive impacts on the budget. Rising interest rates have resulted in increased investment income, and the fall in fuel prices has led to forecast savings against the assumed unit rate used when setting the current year budget. See also **Appendix B**.

1.13 In addition, higher utility costs mean renewable measures that the council has invested in, such as Toggam Solar Farm, solar panels on buildings and battery charges brings in valuable income streams for the council for the delivery of services. In addition, schemes such as solar for business that the council runs, have not only brought in an income for the authority but have helped businesses keep bills down and impact on the environment when they are also facing higher utility costs.

1.14 The council's approved budget, which was set in February 2023, included a 4 per cent assumption in respect of the local government pay award. The pay award has now been agreed at an increase of

£1,925 per annum for scale points 1 to 42, and 3.88 per cent for scale point 43 and above. This impacts the budget by around £0.6 million per annum. The council continues to manage the impact of the pay award within the overall employment costs through in-year vacancy management and then within the overall budget position.

2. Quarter 3 Performance

2.1 This report shows the quarter 3 performance and forecast year-end financial position for West Suffolk Council for 2023 to 2024.

2.2 The attached appendices detail the performance as follows:

Appendix A: Key performance indicators (KPI) dashboards.

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

[Appendix A: KPI Dashboards](#)

Appendix B: Income and expenditure report

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

Appendices C to D: Other Financial performance

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

Appendix E: Strategic Risk Register

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

Exempt Appendix F: Aged debt over 90 days

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

Appendix G: List of available Key Performance Indicators (KPIs)

Appendix H: Environment and Sustainability Reference Group (ESRG) quarterly progress report

3. Performance summary

- 3.1 Each of the dashboards at **Appendix A** contains commentary on the council's performance in Quarter 3 of 2023 to 2024. These dashboards are also available in an interactive, online format at [Appendix A: KPI Dashboards](#)
- 3.2 At the meeting of this committee there will be further opportunity for discussion and questions around the trends and patterns that this quarter's data is showing.
- 3.3 These dashboards are designed to be interactive, which provides further insight and detail into the data and commentary. Therefore, members may find it more useful to use the interactive online dashboards instead of the PDF version supplied. In particular, the full commentary can be viewed on the online versions, whereas this is not possible through the PDFs.

Specific performance updates

Number of KPIs

- 3.4 At the meeting of PASC on 23 November 2023, there was debate over "the number of KPI's being reported and whether these should be reduced to more manageable levels". The discussion touched on the challenges involved – namely wanting wide coverage of the council's business and areas of interest, while limiting the total number of KPIs to ensure effective scrutiny.
- 3.5 Officers are currently working on a review of all the current KPIs, in order for Portfolio Holders to select the suite of indicators to monitor for 2024-25. In order to inform this review, Performance and Audit Scrutiny Committee are invited to comment on the full set of available indicators at **Appendix G**. This list includes both the indicators currently shared with PASC for scrutiny following their consideration by Portfolio Holders, and those monitored by the council's Leadership Team. (It should be noted that officers also monitor other indicators relating to service delivery at the team level on a day-to-day basis).
- 3.6 PASC are invited to make suggestions as to any indicators from **Appendix G** that they would like to see added to the suite for reporting to PASC in 2024-25 or any that they would like to see removed.

Planning Appeals and Universal Credit

- 3.7 The requests made at PASC in November 2023 for KPIs regarding the cost of planning appeals, and Universal Credit take-up by town are being worked on by officers in order for KPIs to be included in the quarter 4 performance report once the relevant data have been obtained and analysed.

Car parking

- 3.8 At PASC in November 2023, the Committee suggested it would be helpful to members to have car parking event data broken down by town. These data are now included on page 6 of the dashboards.

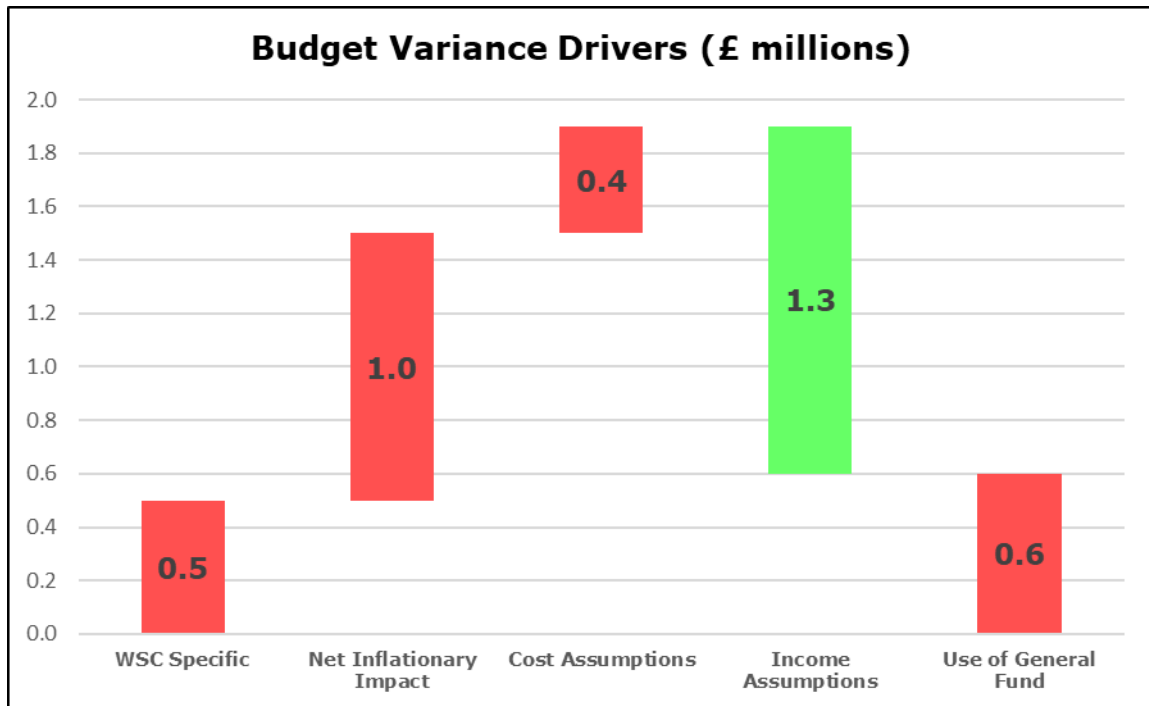
Environment and Sustainability Reference Group (ESRG) quarterly report

- 3.9 The Environment and Sustainability Reference Group (ESRG) has also reviewed the actions being undertaken by the council under its agreed environment and climate change action plans. The quarterly report can be viewed in **Appendix H**.

4. Financial forecast summary

- 4.1 **The forecast year-end outturn position as at quarter 3 shows an overall forecast balanced position.** This position includes the release of £0.57 million of the planned top-up, but subsequently not required, to the general fund of £0.8 million. This forecast is made up of a number of variances to budget, further detailed in **Appendix B**. As stated earlier this is a forecast on the third quarter and could be liable to change.
- 4.2 On 1 April 2023 the council's General Fund (its contingency reserve which represents around 25 per cent of the net budget) balance stood at £5 million. This is money put aside by the council as part of its prudent financial planning to help manage unforeseen or unprecedented issues that impact on the authority. This is at the agreed £5 million policy level, and as such will need to be closely monitored in the council's 2023 to 2024 forecast, and its budget plans going forward. This balance is currently forecast to increase to £5.3 million at the year end.
- 4.3 To mitigate any further unexpected use of the General Fund, officers continue to work on income recovery plans, as well as looking at potential cost saving opportunities and efficiencies while continuing to deliver high quality services and the strategic priorities of the authority.
- 4.4 As laid out in section one reflecting the income recovery trends and inflationary pressures into the budget for the year has meant that variances forecast at this stage can be split into income growth, inflationary pressures and specific, localised assumption changes.
- 4.5 The trends that are coming through in quarter three that are forecast to have an impact on the full year position include the agreed employer pay award, higher business rates income, improving forecasts for car parking income and trade waste, increased costs of delivering the local plan, higher external audit fees, above assumption inflation of utility cost rises in our operational estate and the slow-down in the property market impacting land charge,

building control and s106 income. The relative impacts leading to the most adverse end of the range of forecast results are shown in the graph below – red representing pressures and green representing positive impacts.



- 4.6 The quarter 3 position also assumes a positive variance on interest receipts from investments of the council’s cash balances - deposited mainly with the secure debt management office facility. Alongside this additional interest receipts income, the council is still utilising these internal cash balances to support its capital programme rather than externally borrowing. Further external borrowing is not expected during the year and in line with previous reports the additional interest receipts alongside the saving on interest payable are both being contributed into the capital financing reserve – therefore not showing as a variance within forecast position. This reserve is an equalisation reserve and is available to be used during the later parts of the medium-term budgets (before the market is due to soften) as we start to borrow and in anticipation of higher rate borrowing costs to those included in the original business cases .
- 4.7 Whilst the forecast balanced position at this point in time is based on data and intelligence available after quarter 3 performance, management are looking at options to ensure the overall budget continues to show a balanced position by the end of the financial year.

Capital programme

- 4.8 The council is forecasting to spend **£19.7 million** of its total available capital budget of £48.6 million for 2023 to 2024 (budget reduced following the decision on the Western Way Development), as a result of project timings, mainly the timing of investment of the ‘Investing in our Growth’ fund projects such as the Innovation units at Suffolk Business Park, and the use of the

Barley Homes loan facility. This in turn provides cash balances that are being reinvested for interest returns. Further detail by individual capital project can be found in **Appendix C**.

Earmarked reserves

- 4.9 The council's forecast balance on earmarked revenue reserves (reserves that have been held for specific purposes) at the end of the financial year is **£41.2 million**, against a budgeted closing balance of **£36.6 million**. The majority of this variance relates to timing of expenditure into the next financial year, related to capital programme phasing as detailed below. This net under-utilisation is primarily due to additional contributions to the capital project financing reserve, resulting from reduced borrowing and minimum revenue provision due to project timings (£1.2 million), additional contributions in respect of investment interest (£1.8 million) arising from improved interest rates and cash held, plus a number of smaller variances. These increased balances are expected to be utilised across the medium-term budgets, especially with interest rates remaining higher in the short term and external borrowing estimated to take place in the next 12 to 24 months whilst rates are still higher than expected in the longer term.
- 4.10 Earmarked reserves are just that – they are earmarked for specific purposes, including for investment in the renewals of our waste fleet vehicles programme and investment in our operational and commercial properties. Details of the individual reserve balances and movements during the year can be found in **Appendix D**. It should be noted that these are the reserve balances as they are forecasted to stand at the end of 2023 to 2024. However, these reserves are earmarked for specific purposes across the council's Medium Term Financial Strategy (MTFS) and should be viewed in the longer-term context.
[COU.WS.23.003 Attachment D Appendix 3 - Earmarked Revenue Reserves.pdf \(westsuffolk.gov.uk\)](#)

5. Alternative options

- 5.1 In order for the council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. The use of the council's general fund balance can be considered to manage the residual in-year net financial pressures being experienced, after in-year savings and initiatives such as vacancy management have taken place. However, the 2023 to 2024 budget was prepared on the basis of no further calls from the general fund balance, alongside its return to the agreed £5 million policy level. So, any utilisation in year beyond the £0.8 million budget set aside to be contributed into the general fund, will result in a pressure on the 2024 to 2025 budget as provision will need to be made to replenish the general fund back up to the agreed policy level.

6. Consultation and engagement

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

7. Risks

- 7.1 The West Suffolk Risk Register is a document that records all known strategic risks that may impact the ability to deliver services and performance of West Suffolk Council. Each risk is described and the relative inherent impact and probability of the risk coming to pass is estimated. The actions and controls that are undertaken to mitigate this risk are then laid out resulting in a revised residual impact and probability estimate.
- 7.2 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. This group is comprised of Directors, service representatives and the portfolio holder for Resources and Property. Directors and/or service managers may be required to provide further information as requested by the group.
- 7.3 The Risk Management Group meets quarterly to assess the current risk ratings, update any mitigating actions or controls and review the wider environment to assess if any new risks need to be added.
- 7.4 Following the last PASC meeting, a further review has taken place of the Strategic Risk Register in the context of how we assess and rate risks. This review has included an initial update to the Risk Management Toolkit which provides a framework for identifying, assessing and rating risks. This is available in **Appendix Ei** – West Suffolk Risk Management Toolkit.
- 7.5 The aim of this process is to provide assurance that all strategic risk has been identified, and that there are mitigating actions and controls in place to reduce these risks to a level that is either acceptable or tolerable within the context of that particular risk.
- 7.6 At its most recent assessment on 8 January 2024, the group reviewed the residual risk, the risk level where the council is likely to be after mitigations. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix E**.

7.7 The Register for December 2023 includes the following risks that still have a high residual risk (after mitigating actions and controls). These are:

- WS5 – Staff recruitment
- WS9 (c) – Delivering affordable, available and decent homes.
- WS11 – Loss of a key employer or industry.
- WS12 - Partner/Public sector failure
- WS19 – Cyber security
- WS22 – Financial impact on individuals due to rising cost of living.

These risks remain high predominantly due to the wider economic and social environment, despite the actions that West Suffolk council has taken.

7.8 There has been one risk removed in this latest Risk Register. This was:

- WS6 – Managing public/councillor expectations with less resources. This was removed due to duplication with other more specific risks WS1 (Financial Management), WS3 (Maintain and promote our public image, maintain effective communications), WS9 (Deliver Strategic Priorities), WS15 (Service performance).

7.9 We will continue to review our approach to strategic risks, keeping the committee updated, taking into considerations the views of the committee. We will also continue to review our methodology behind our risk assessment, rating and governance, including benchmarking of our process and reporting against other district councils. We will also look to include risk management within the scrutiny training sessions for members planned in February 2024.

8. Implications arising from this proposal

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

9. Appendices referenced in this report

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

Exempt Appendix F – Aged debt over 90 days summary

Appendix G: List of available Key Performance Indicators (KPIs)
Appendix H: Environment and Sustainability Reference Group (ESRG) quarterly progress report

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

10. **Background documents associated with this report**

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

[Q1 Performance Report - 2023 to 2024](#)
[Q2 Performance Report - 2023 to 2024](#)

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

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

1. Index

Understanding the dashboards

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

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

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

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

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

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

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2. Cross-cutting: environmental performance

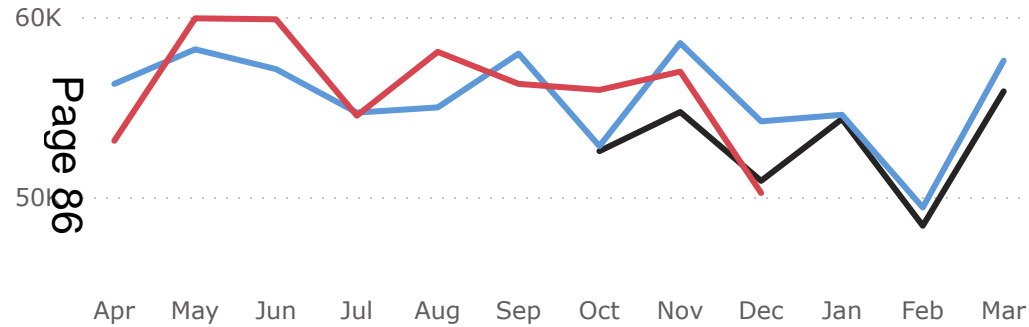


Latest Data Period:

December 2023

Amount of diesel used by fleet vehicles and equipment (litres)

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



Commentary or Summary

Petrol: used in strimmers and parking enforcement vehicles.

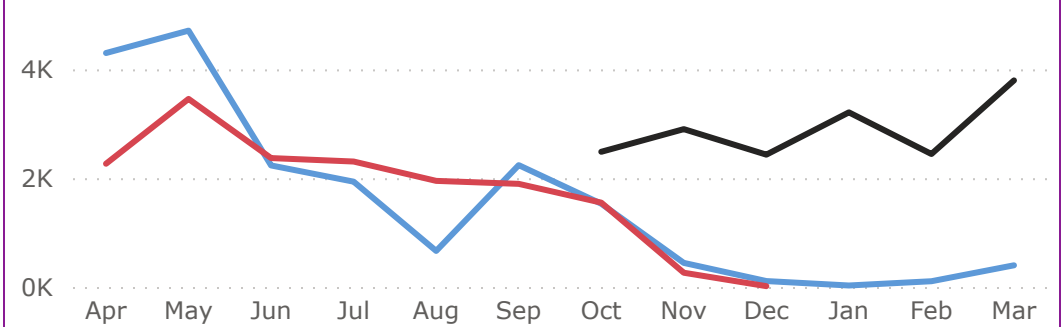
AdBlue: an additive used in newer vehicles to reduce exhaust tailpipe emissions (the low July 2022 figure was due to a system error).

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

Amount of red diesel used by grounds maintenance vehicles (litres): Red diesel usage changed on 1 April 2022 because of the rules around the eligibility to ...

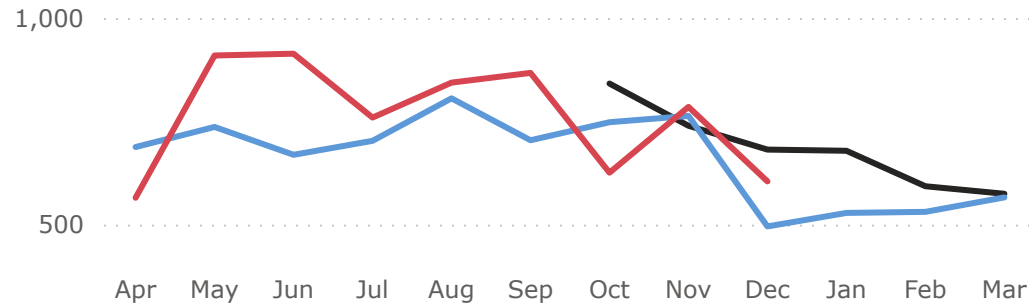
Amount of red diesel used by grounds maintenance vehicles (litres)

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



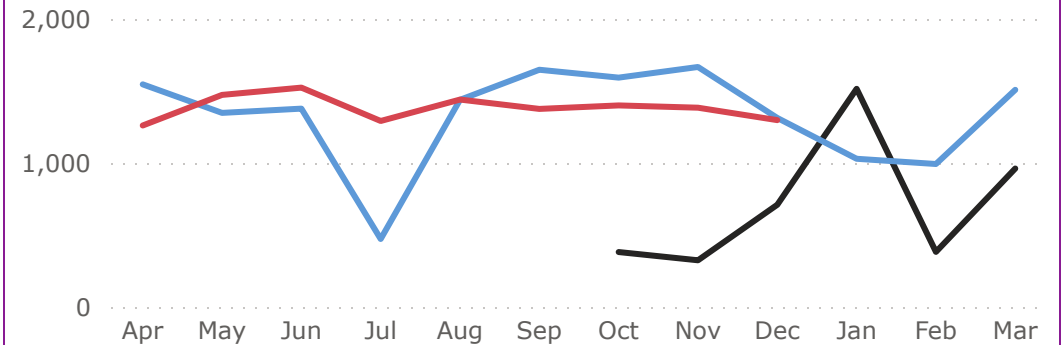
Amount of petrol used by fleet vehicles and equipment (litres)

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



Amount of Ad blue used by fleet vehicles (litres)

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



3. Cross-cutting: environmental performance

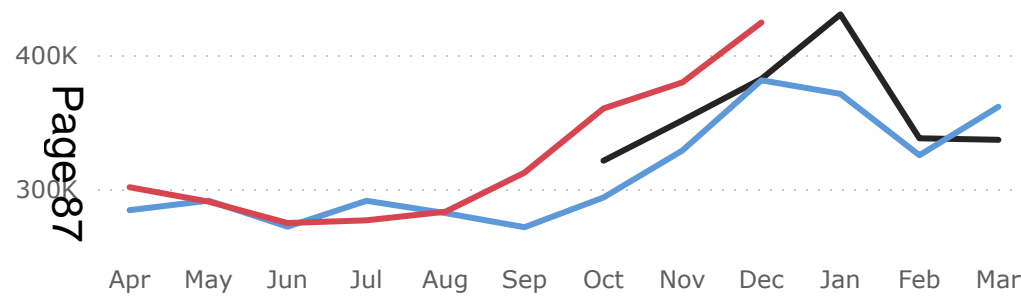


Latest Data Period:

December 2023

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

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



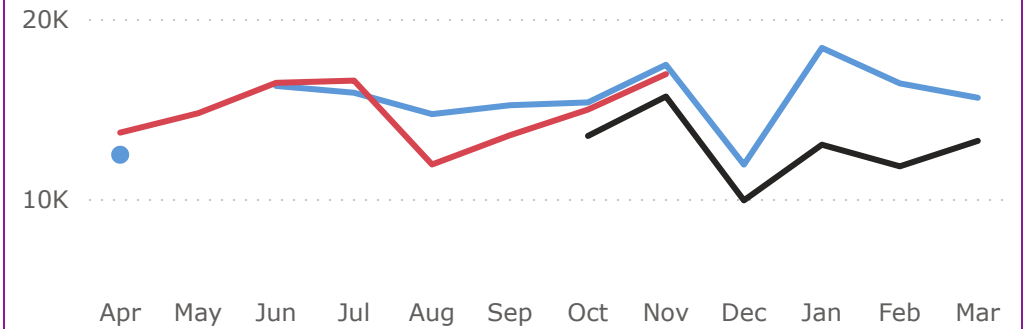
Commentary or Summary

Amount of electricity consumed: This figure includes Mildenhall Hub.

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

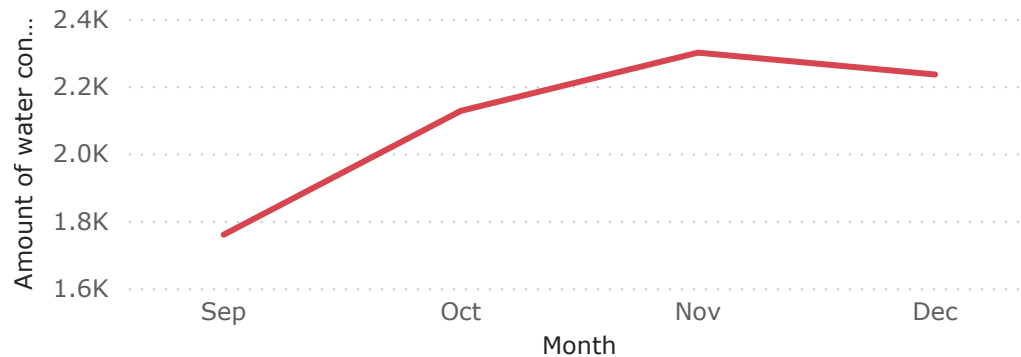
Total business mileage by staff and councillors in own vehicles (miles) (one month lag)

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



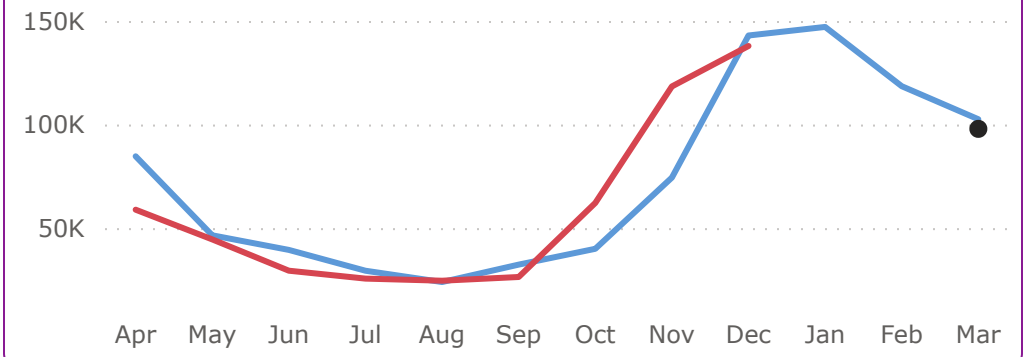
Amount of water consumed by five highest consuming sites where automatic meter reading exists (cubic meters)

Financial Year ● 23-24



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

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



4. Cross-cutting: wider economic context



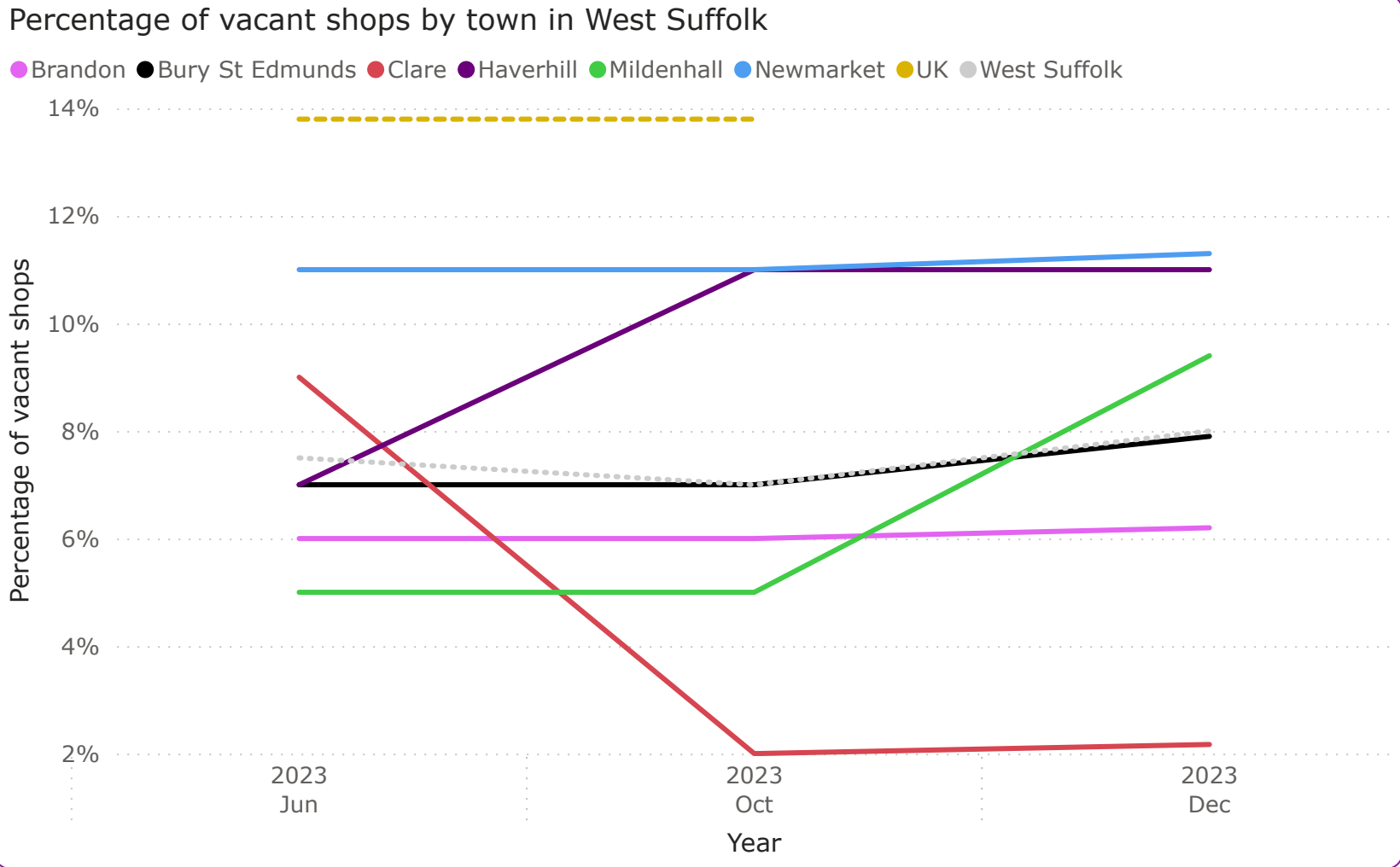
Latest Data Period:
December 2023



Commentary or Summary

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

Page 88



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

5. Cross-cutting: wider economic context



Latest Data Period:

December 2023

Commentary or Summary

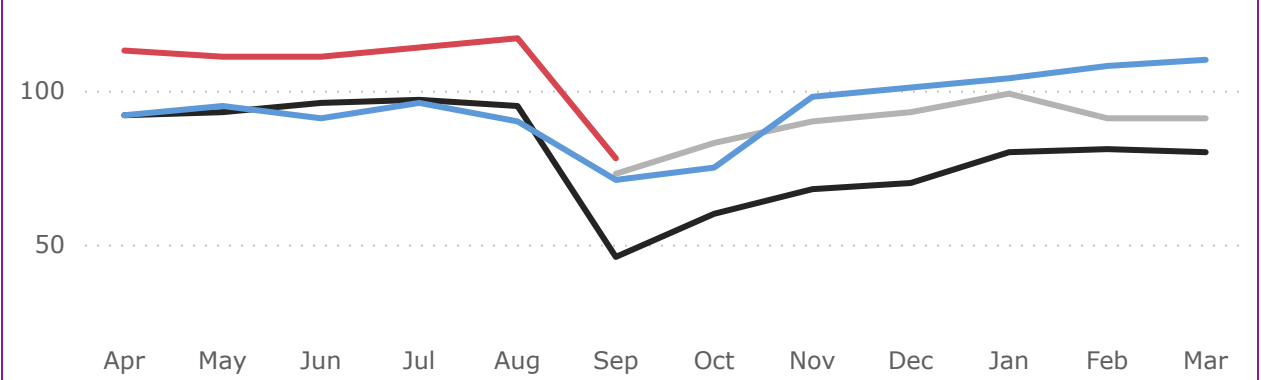
Please note this information relates to the vacant units within the town centres of these settlements only and does not relate to shopping parades or others smaller retail provision.

Footfall in BSE town centre: We do not have data since June 2023 due to an issue with the counter and landlord request for its removal. However, OurBuryStEdmunds BID has found another premises. Figures to come in due course.

NEB The footfall counter in Bury St Edmunds (Abbeygate Street) captures those walking past it and could therefore capture the same people multiple times, while the footfall counter in Newmarket identifies mobile phones and therefore only counts

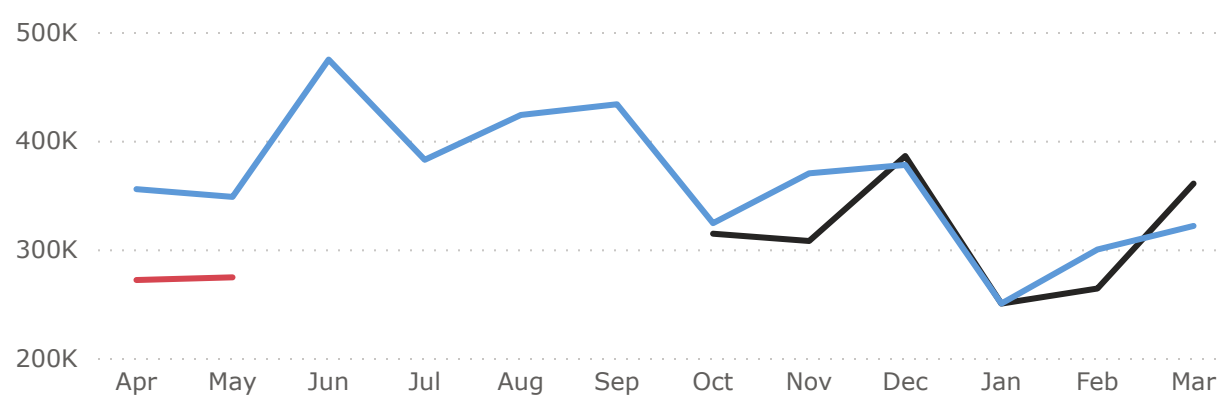
Number of NEETs (Not in Education, Employment or Training)

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



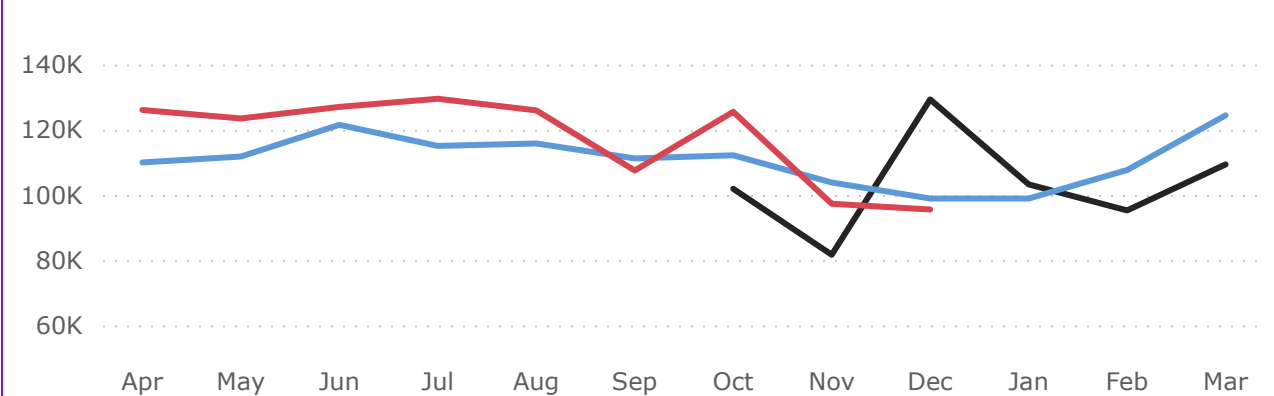
Footfall in Bury St Edmunds town centre

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



Footfall in Newmarket town centre

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



6. Cross-cutting: wider economic context



Latest Data Period:

December 2023

Commentary or Summary

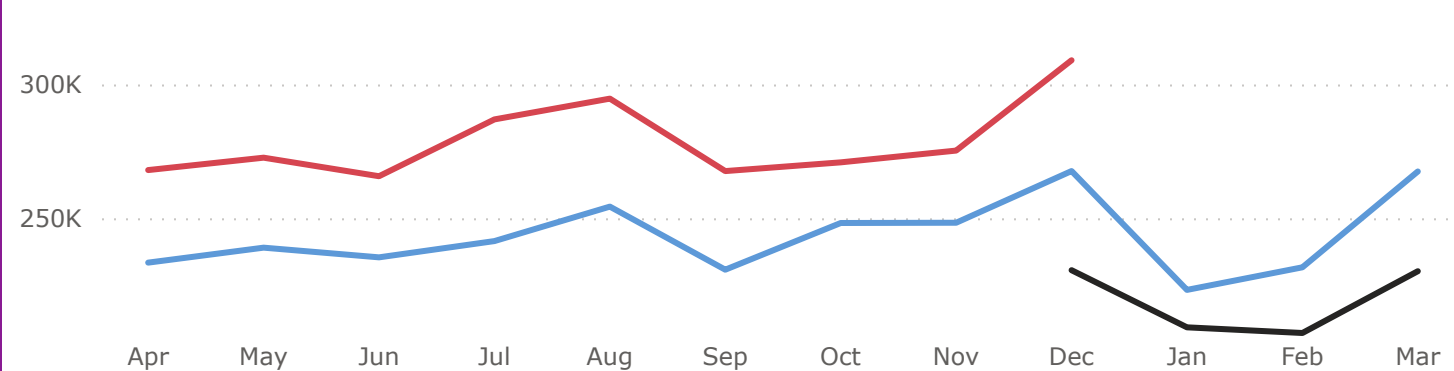
Number of car parking events in West Suffolk: We are nearing pre-pandemic number in some areas but not all, however the increase in numbers for December 2023 equates to additional visitors for Christmas shopping.

Number of off-street and on-street car parking events by town: This is a new KPI this quarter.

The number of off-street and on-street car parking events by town KPI was requested by PASC on 23 November 2023, enquiring about the total car parking events within the West Suffolk towns. The data are sourced from car parking event machine systems such as RingGo and Flowbird. Please note that the car parking data will have seasonal and event trends that affect car parking rates. These can include school holidays, adverse weather, and seasonal holidays.

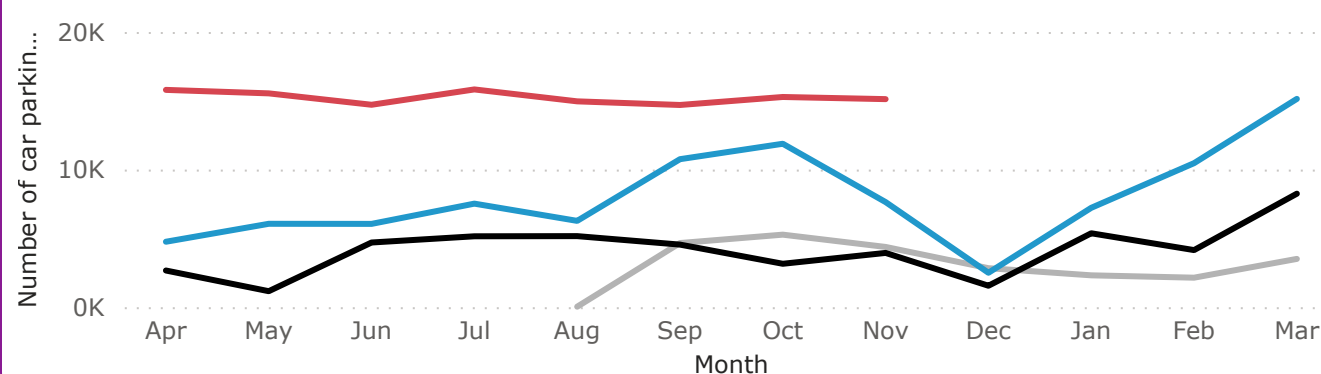
Number of car parking events in West Suffolk Council off-street car parks

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



Number of off-street and on-street car parking events by town (one month lag)

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



- Brandon
- Bury St Edmunds
- Clare
- Haverhill
- Newmarket
- West Stow

7. Customer contact: website



Latest Data Period:

December 2023

West Suffolk
Council

Commentary or Summary

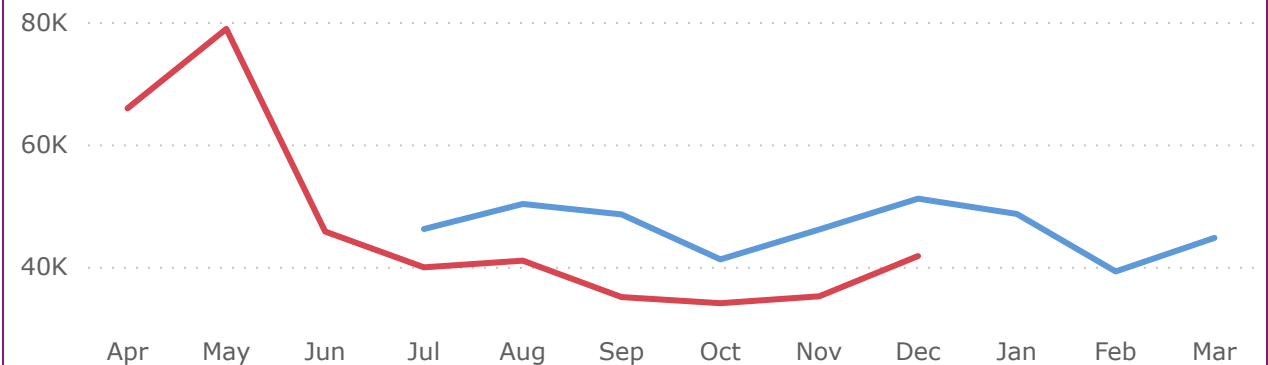
Number of unique users of the West Suffolk Council: Increase may be due to people checking their bin collections in December 2023. The 'When are my bins emptied?' page was viewed 34,667 times in December 2023 and only 28,818 in December 2022.

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

16991

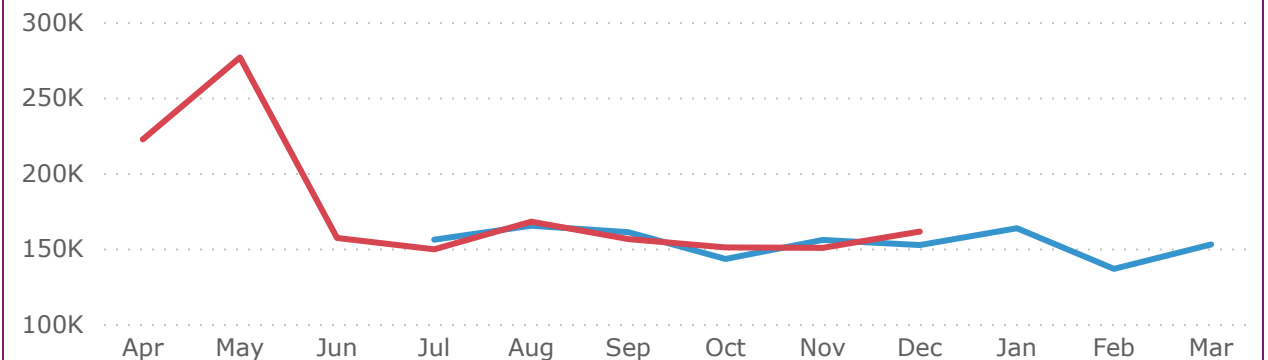
Number of unique users of the West Suffolk Council website

Financial Year ● 22-23 ● 23-24



Total number of page views to West Suffolk Council website

Financial Year ● 22-23 ● 23-24



8. Housing and Strategic Health

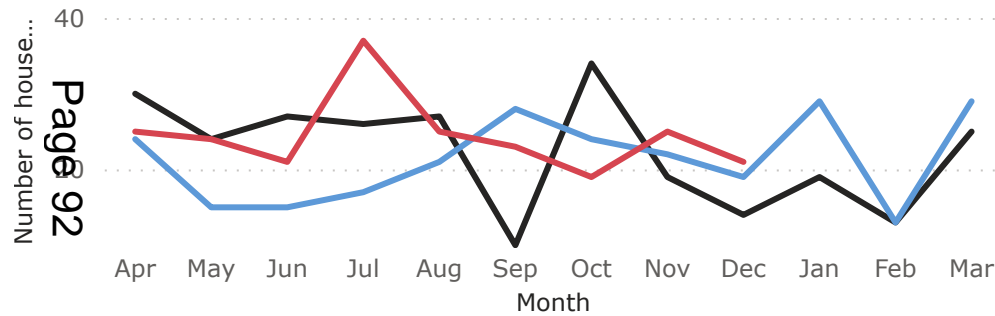


Latest Data Period:

December 2023

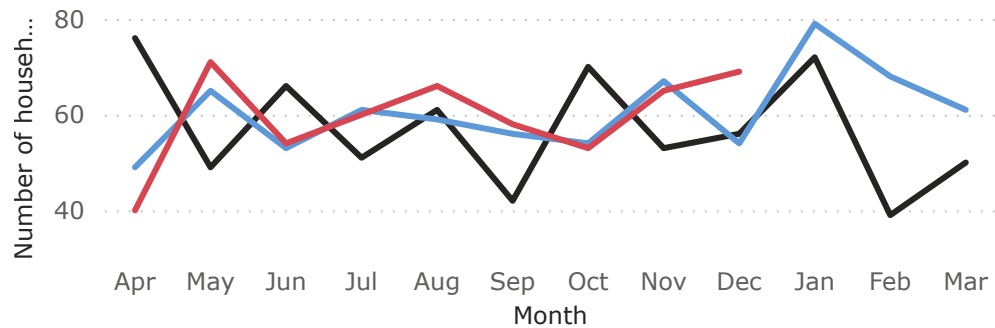
Number of households where the Prevention Duty ended - West Suffolk only

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



Number of households where the Relief Duty ended - West Suffolk only

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



Commentary or Summary

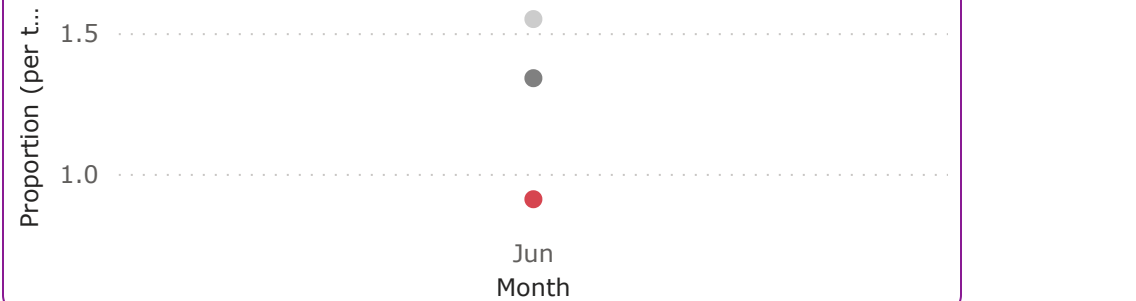
Prevention Duty:

A local authority must take reasonable steps to help the applicant secure accommodation that does not cease to be available for their occupation.

Relief Duty: A local authority must take reasonable steps to help the applicant secure accommodation that becomes available for at least six months.

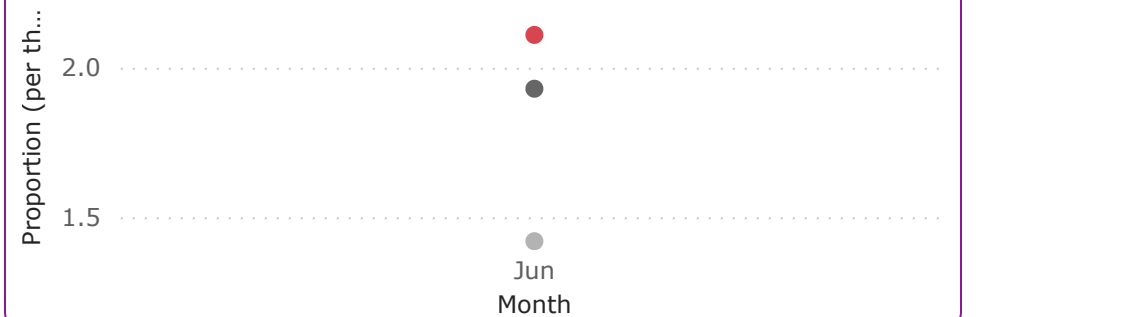
Proportion of households (per thousand) where Prevention Duty ended - comparisons

Location ● England 23-24 ● Suffolk 23-24 ● West Suffolk 23-24



Proportion of households (per thousand) where the Relief Duty ended - comparisons

Location ● England 23-24 ● Suffolk 23-24 ● West Suffolk 23-24



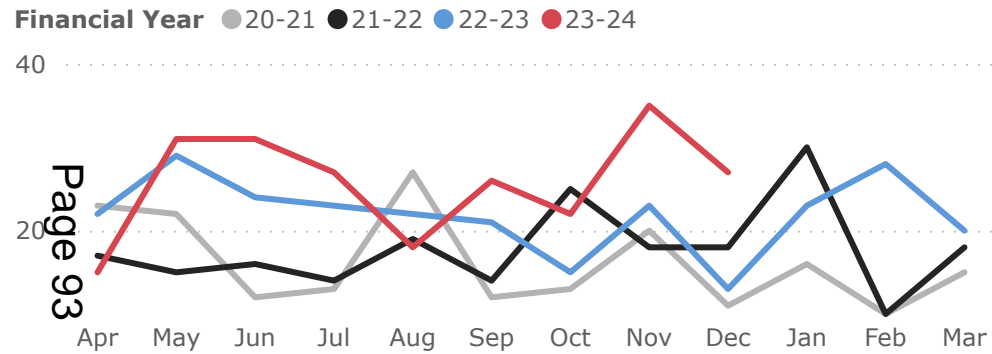
9. Housing and Strategic Health



Latest Data Period:

December 2023

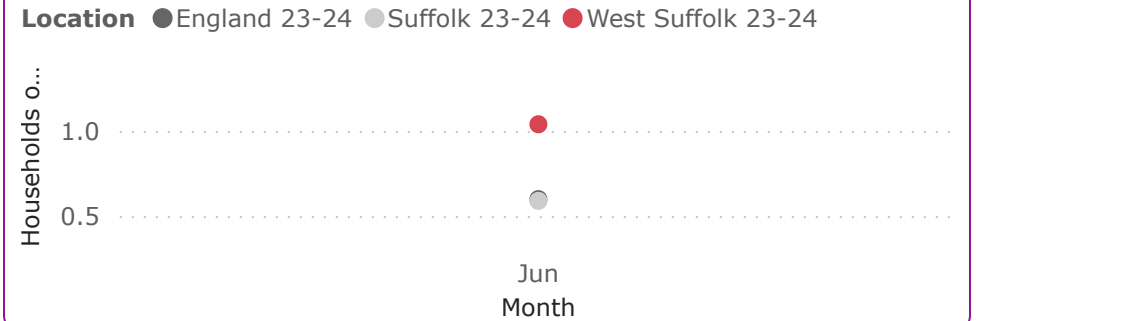
Number of households where the Main Homelessness Duty is owed (acceptances) - West Suffolk only



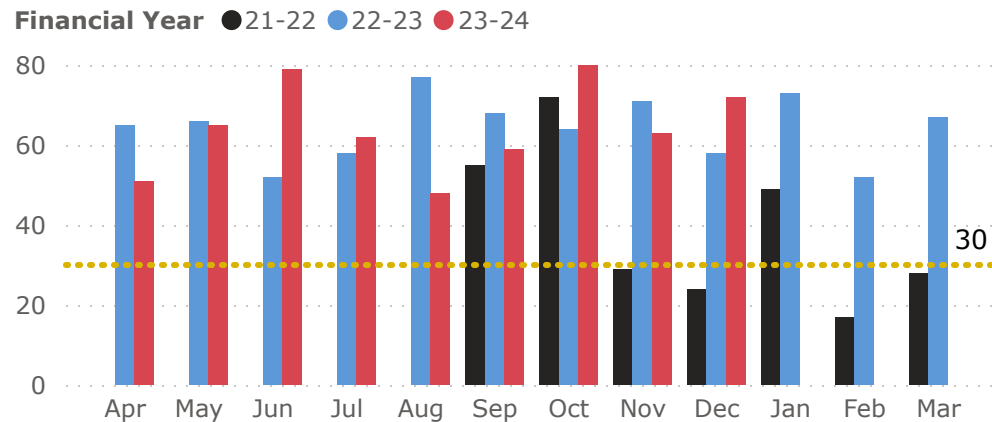
Commentary or Summary

Main Homelessness Duty: It is owed by a local authority to someone who is homeless, eligible, has a priority need and is not intentionally homeless.

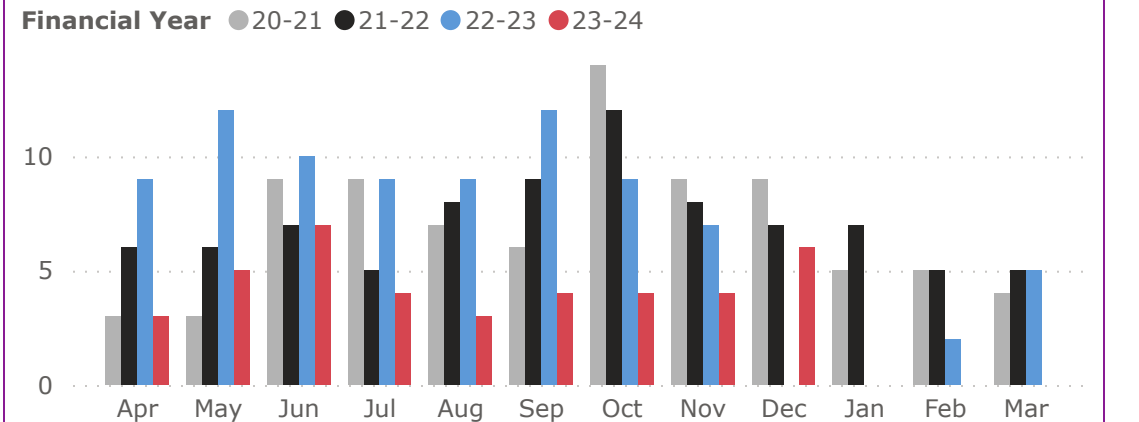
Proportion of households (per thousand) where the Main Homelessness Duty is owed (acceptances) - comparisons



Number of Personalised Housing Plans created



Number of rough sleepers as at last day of the month



10. Housing and Strategic Health



Latest Data Period:

December 2023



Commentary or Summary

Bars on the visual on the right is new applications that have been submitted by the customers and lines are the applications made live by staff once all the documents have come in from the customer on Home-Link. If the customer does not provide the documents within 28 days, their application is removed.

Home-link applications: Bars on the visual on the right is new applications that have been submitted by the customers and lines are the applications made live by staff once all the documents have come in from the customer on Home-Link. If the customer does not provide the documents within 28 days, their application is removed.

Number of Home Link applications submitted: We are noticing a rise in applications submitted primarily on affordability grounds, with more people struggling to afford existing accommodation.

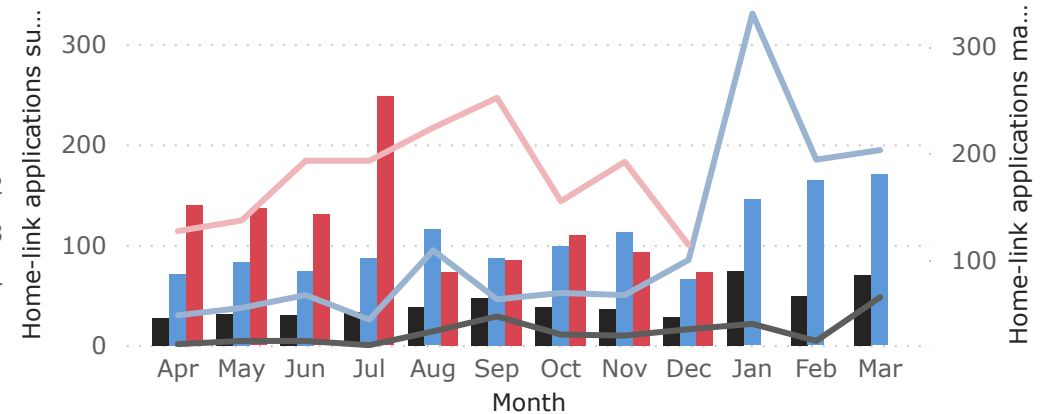
Number of households housed into social housing: This is any application registered with West Suffolk on Home-Link that has been housed into a Social Housing property. This includes homeless households, supported accommodation move on, general household moves (for example for medical reasons, those lacking bedrooms, under occupation etc...).

NB: There is no relationship between number of Home Link applications submitted and number of households housed into social housing as the number of households relies solely on the number of

Number of Home-link applications submitted and Home-link applications made live

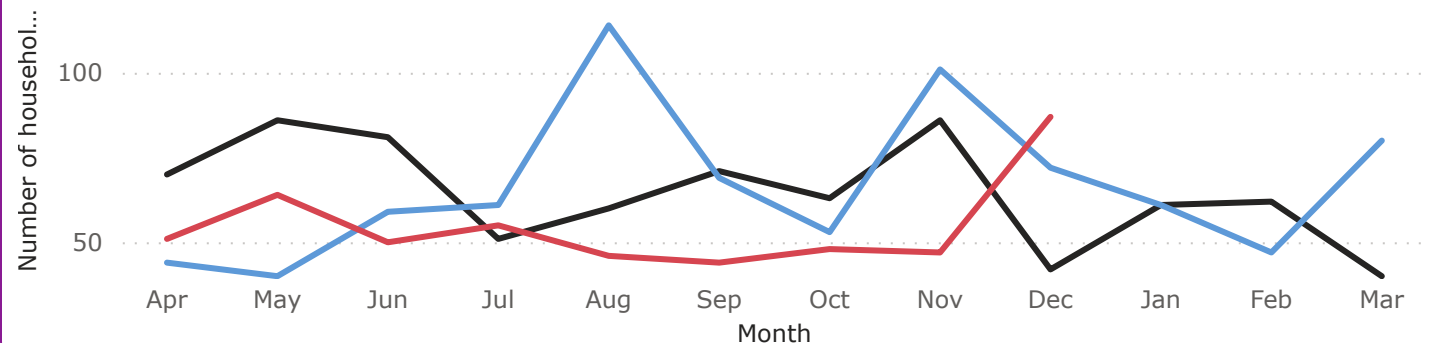
Applications submitted

- 21-22
- 22-23
- 23-24
- Applications made live 21-22
- Applications made live 22-23
- Applications made live 23-24



Number of households housed into social housing

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



11. Housing and Strategic Health



Latest Data Period:

December 2023

Commentary or Summary

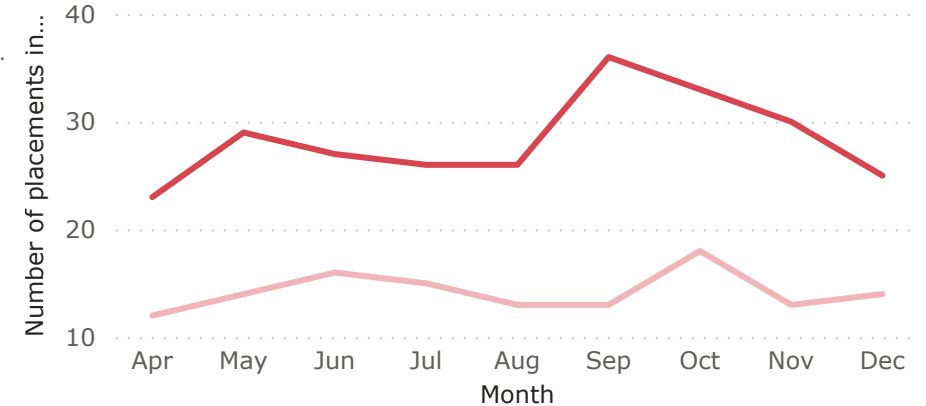
Number of placements into temporary and emergency accommodation, including Bed and Breakfasts: These are new placements into B&Bs or temporary accommodation throughout the month, this will include movements between B&Bs and temporary accommodation.

Regarding the increase in households in emergency accommodation, this is an indication of the number of households currently presenting as homeless and because some units of temporary accommodation are out of service due to improvement works.

Number of placements into temporary and emergency accommodation, including Bed and Breakfasts

Placements by type

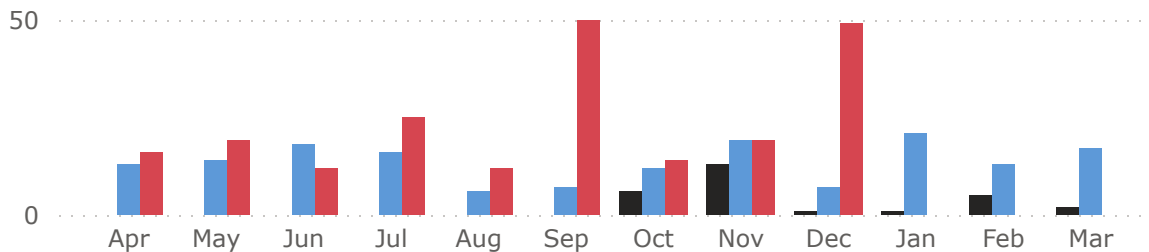
- Emergency accom, incl B&...
- Temporary accom 23-24



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

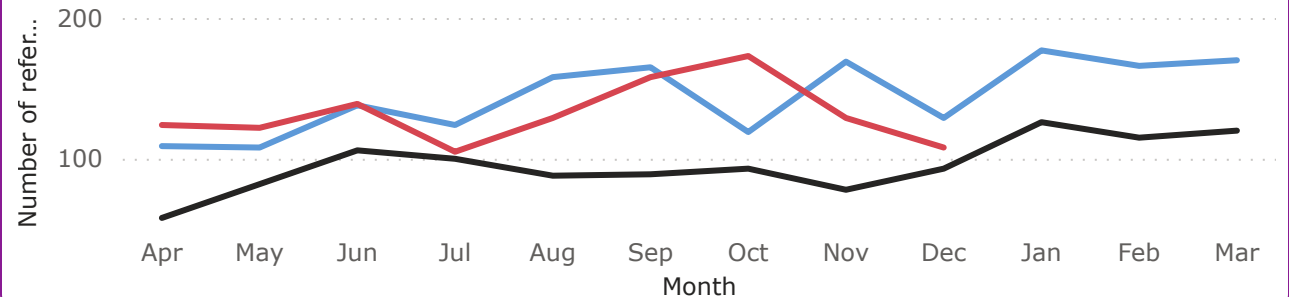
Number of homelessness duties discharged into the private rented sector

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



Number of referrals made to the Early Intervention team from third parties

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



12. Housing and Strategic Health



Latest Data Period:

December 2023

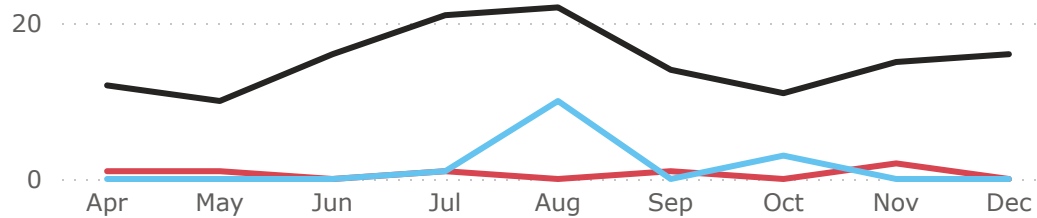
Commentary or Summary

Our annual budget has been increased by a further £126,923.00, following additional allocation from The Department for Levelling Up, Housing & Communities which has been received from SCC giving us a total annual budget of £1,581,460 of which we have £384,229.29 remaining. Our spend at the end of Q3 at £1,197,230.71

During December 2023, we received 26 referrals for adaptations 12 from ILS, 10 from Home First/Adult Care Services, 1 from Community Services and OT's, 1 from Children's Services and 1 from a GP Surgery and 1 from Newmarket Hospital. We also dealt with 21 enquiries of which 3 were referred to Suffolk County Council for full OT Assessments.

Number of new Disabled Facilities Grant applications approved

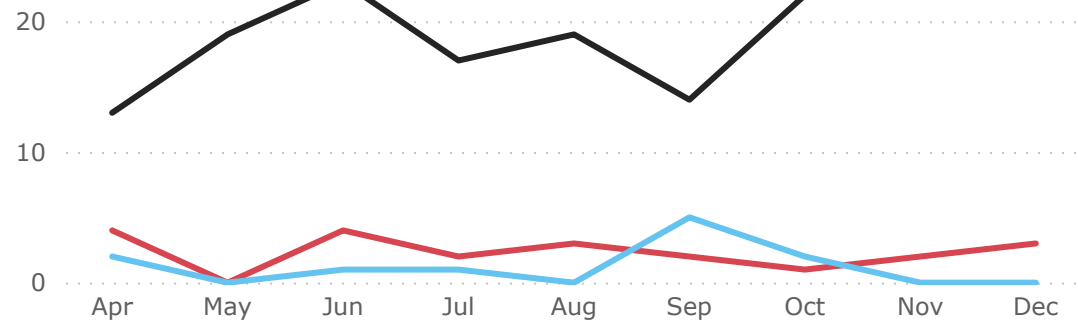
● Number of new fast-track gra... ● Number of new mandat... ● Number of new ot...



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

Number of Disabled Facilities Grant applications received

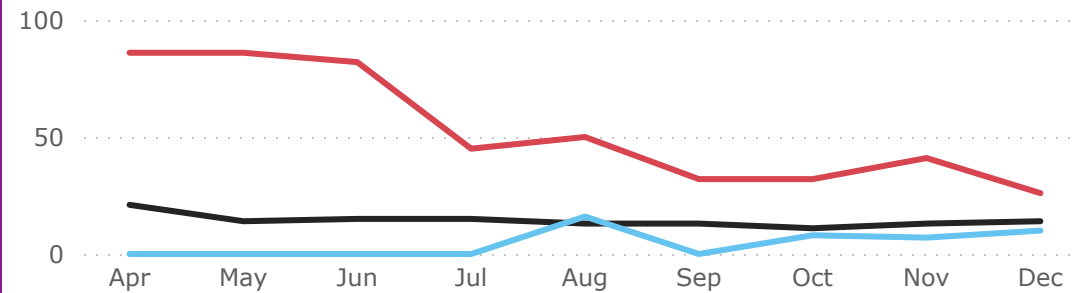
● Number of new fast-track grant ap... ● Number of new mandatory ... ● Number of new other...



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

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

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



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

13. Housing and Strategic Health



Latest Data Period:

December 2023

Commentary or Summary

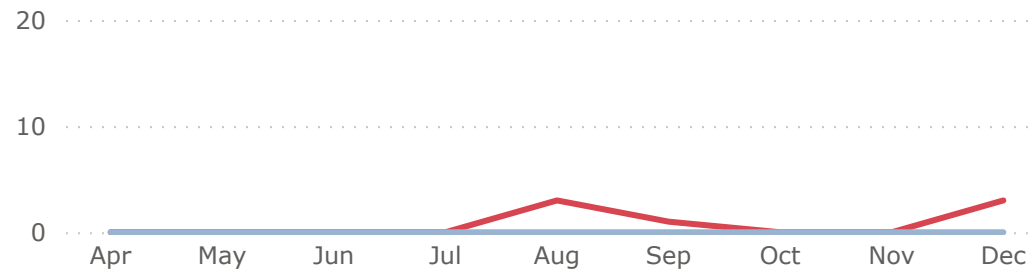
Number of new noise complaints received: Noise complaints received dropped in December 2023 as they tend to reduce in the winter as the weather gets colder and nights draw in. Less people outdoors for shorter periods and more windows closed at night, resulting in less people exposed to unreasonable levels of noise. Steep reduction may be due to two Bank Holidays over Christmas, this is expected to rise again in January 2024.

Number of noise complaints resolved within allocated timeframe (55 calendar days): 24 resolved, 21 (88%) in target, 3 (12%) out of target in December 2023.

Number of Public Health cases received: 27 Public Health cases received in

Number of proactive HMO investigations carried out on previously unknown HMOs (all types) and then brought up to standard

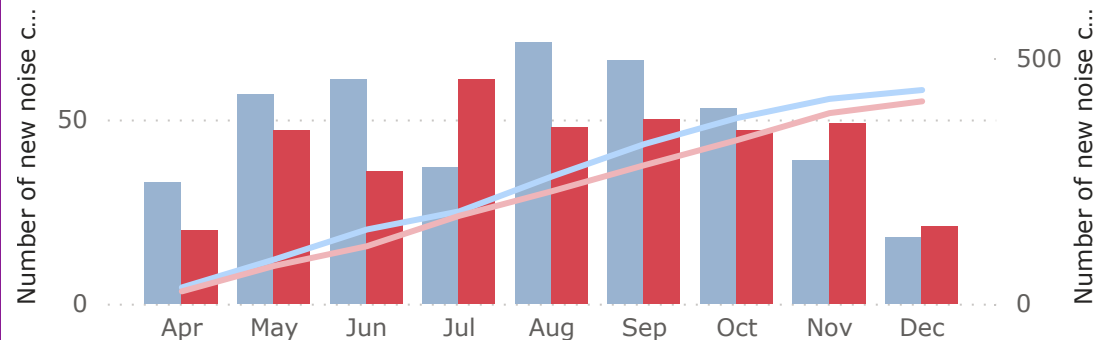
● Number of pro-active HMO investigations carried out ... ● Number of previously unknown ...



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

Number of new noise complaints received and resolved within allocated timeframe

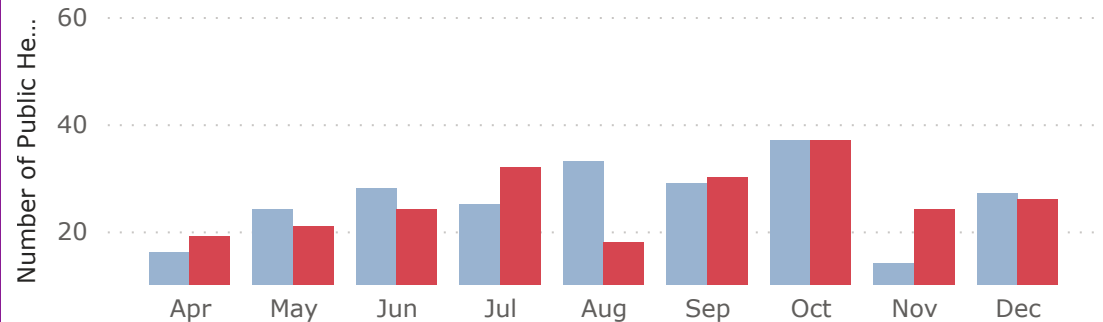
● Number of new noise co... ● Number of noise co... ● Number of new noi... ● Number of noise ...



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

Number of Public Health cases received and resolved within allocated timeframe

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



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

14. Housing and Strategic Health

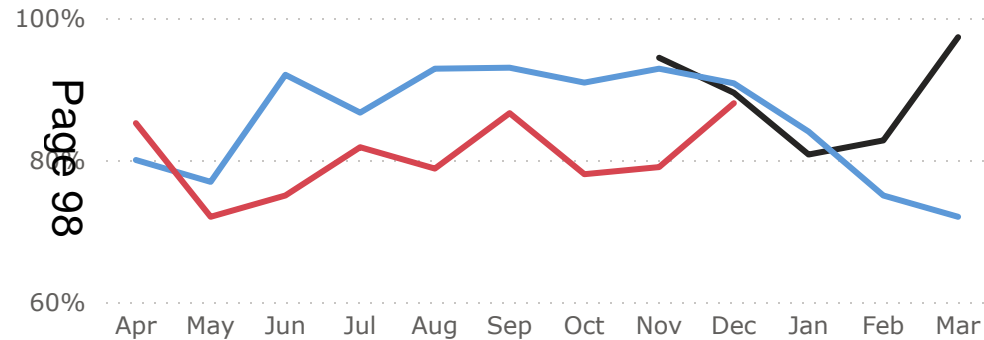


Latest Data Period:

December 2023

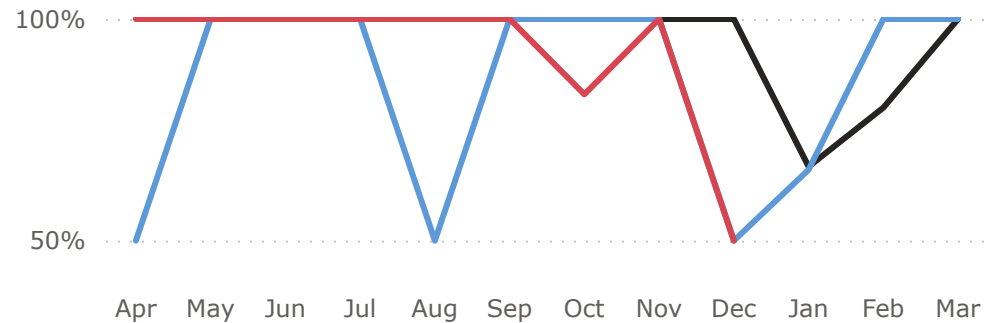
Percentage of housing complaints received that were resolved within the allocated timescales

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



Percentage of HMO (all types) complaints received that were resolved within the allocated timescales

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



Commentary or Summary

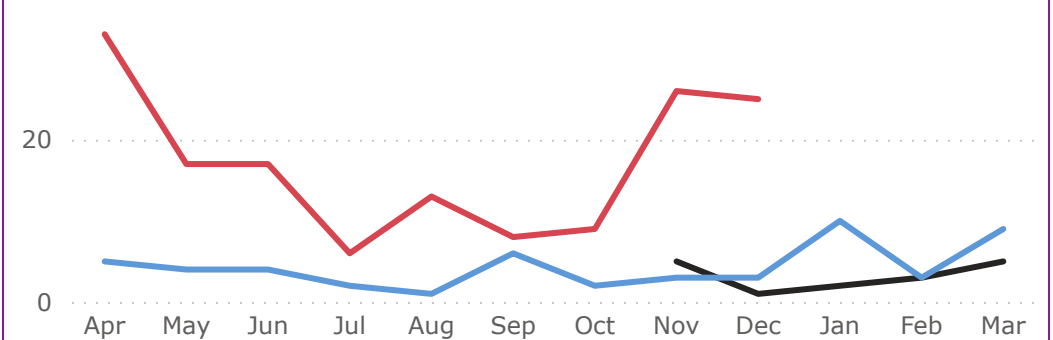
Number of Housing Health and Safety Rating System hazards are removed or reduced*: 25 Hazards in total were reduced or removed in December 2023. All of the hazards were Category 2 Hazards.

18 were in private rented properties and **8** in social housing. **6 of the total hazards** were found in one private rented property, **5** in another private rental and **5** in another RSL.

8 of the 25 hazards removed/reduced were damp and mould related in December 2023. Out of the 8 damp and mould hazards removed/reduced, **4** of these were in Social Housing and **4** in the private rented sector.

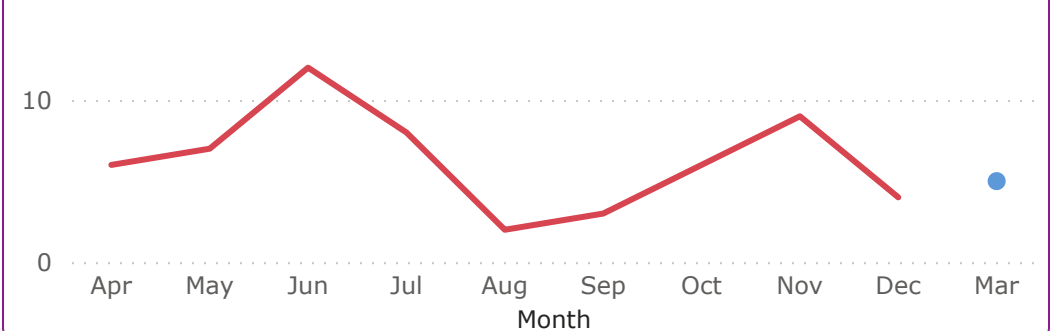
Number of Housing Health and Safety Rating System hazards removed or reduced

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



Number of damp and mould hazards identified through HHSRS

Financial Year ● 22-23 ● 23-24



15. Housing and Strategic Health

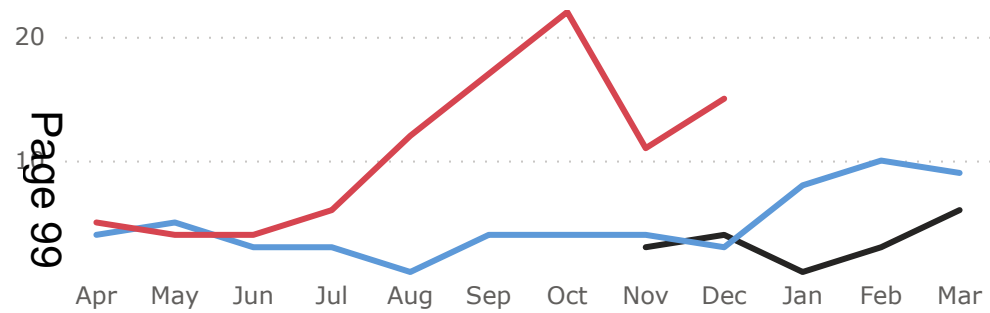


Latest Data Period:

December 2023

Number of licensable HMO (5+ people) licence and renewal applications currently being processed

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

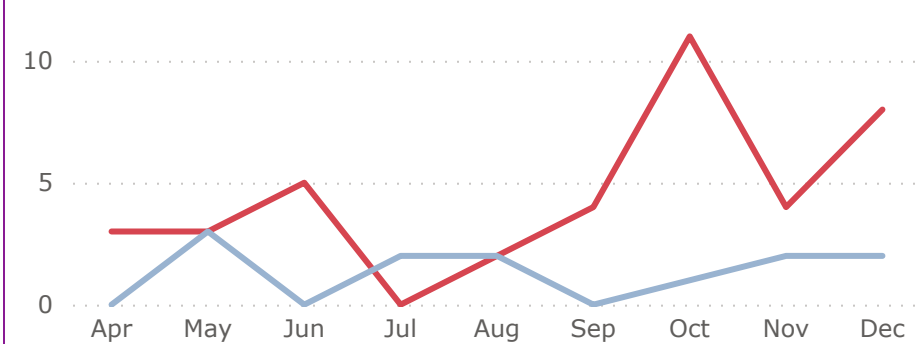


Commentary or Summary

Number of licensable HMO inspections carried out: These figures include inspections carried out for licence renewals and through the routine risk based programme. These are priority at present.

Number of licensable HMO (5+ people) inspections due and carried out

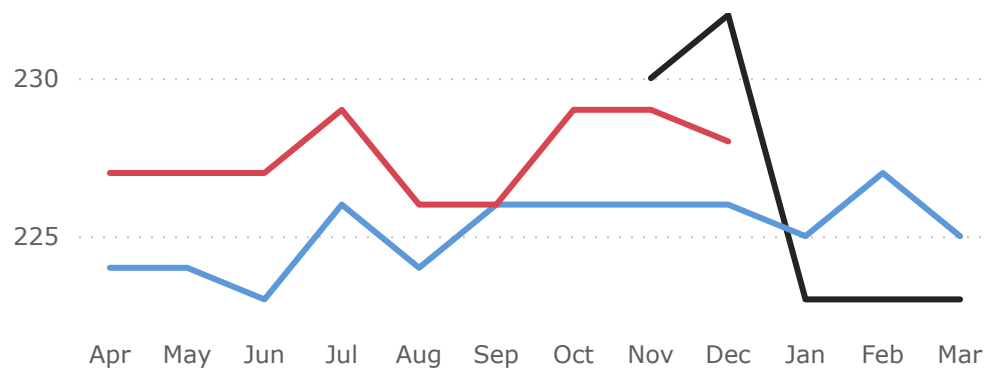
● Number of licensable HMO inspections carried out ● Number of licensable HMO inspections due



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

Number of HMOs (all types) in West Suffolk

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

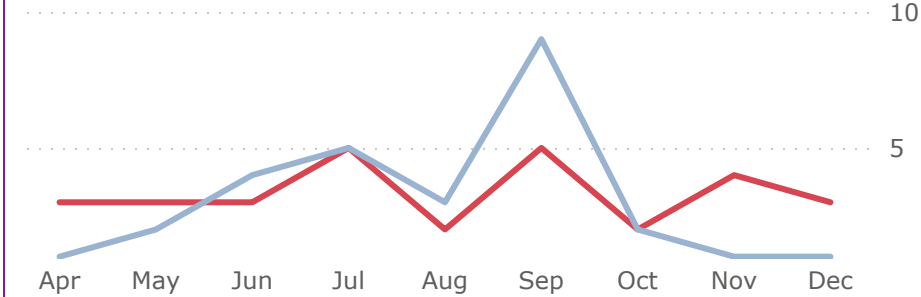


Number of non licensable HMO inspections carried out: Once the HMO licence renewals are up to date, we will be able to focus on bringing the non licensable inspections up to date.

Number of licensable HMO (5+ people) licence and renewal applications

Number of non-licensable HMO (3-4 people) inspections due and carried out

● Number of non-licensable HMO inspections carried out ● Number of non-licensable HMO inspections due



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

16. Resources and Property



Latest Data Period:

December 2023

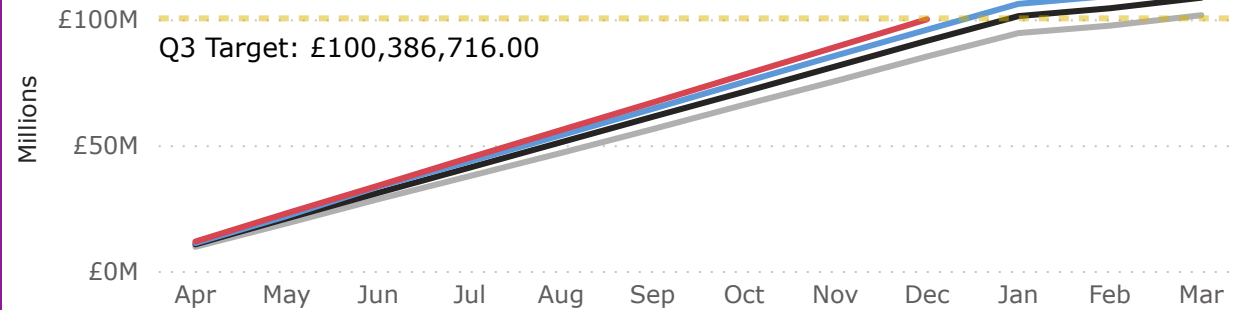
Commentary or Summary

Council Tax collection against target: Council Tax is around £380,000 behind target at the end of Q3 which equates to 0.33% of the overall debt. In 22/23 the deficit was greater at Q3 but the full year's target was collected – the collection will be closely monitored in Q4.

Page 100

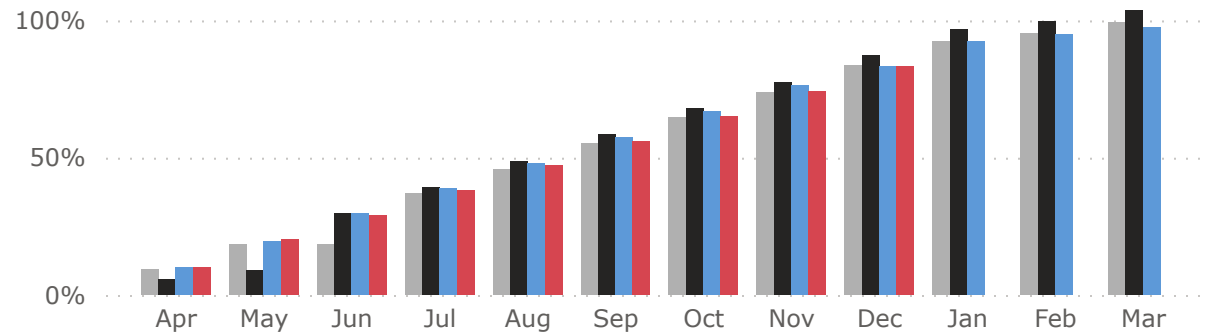
Amount of Council Tax collected (YTD)

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



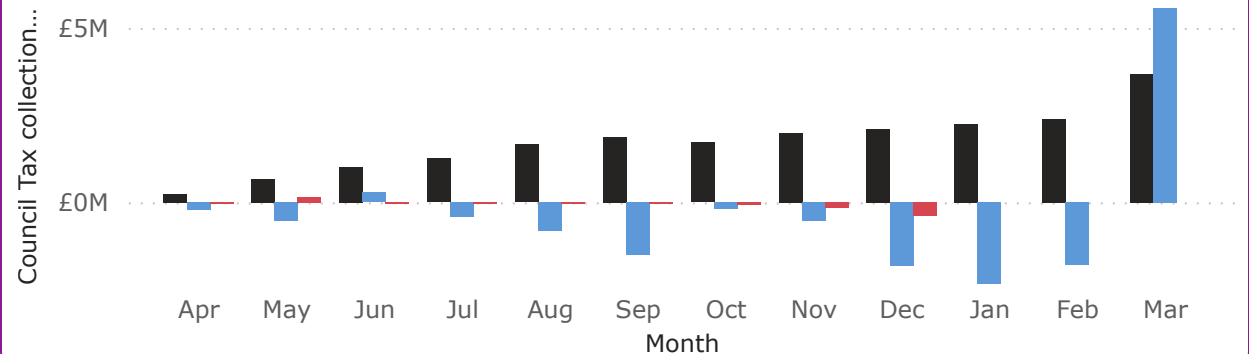
Percentage collection of Council Tax (collection rate)

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



Council Tax collection against target

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



17. Resources and Property

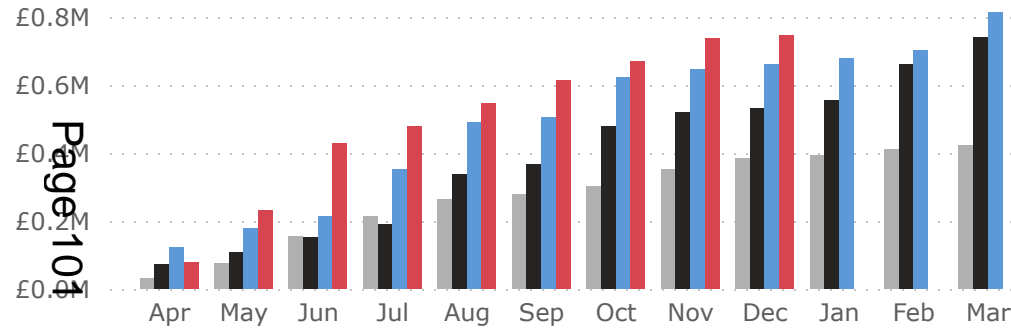


Latest Data Period:

December 2023

Value of fraud identified by the ARP team (YTD)

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



Commentary or Summary

Business rates: Collection remains above target at Q3 with the percentage surpassing the 22/23 level at Q3.

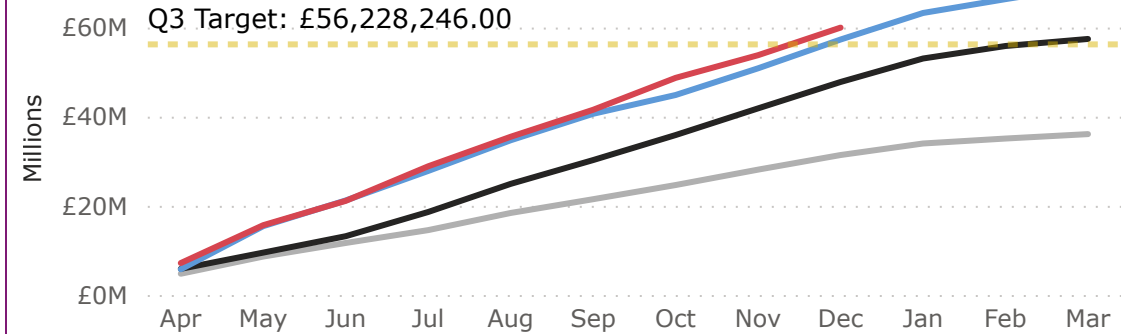
Fraud identified by ARP team: ARP are tasked with identifying and preventing fraud in the following areas:

- Local Council Tax Support
- Single Person Discount
- Council Tax
- Non Domestic Rates.

The Team have identified considerable

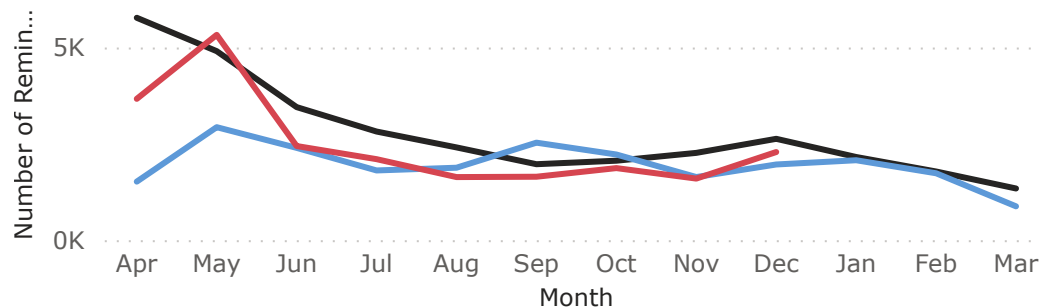
Amount of business rates collected (YTD)

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



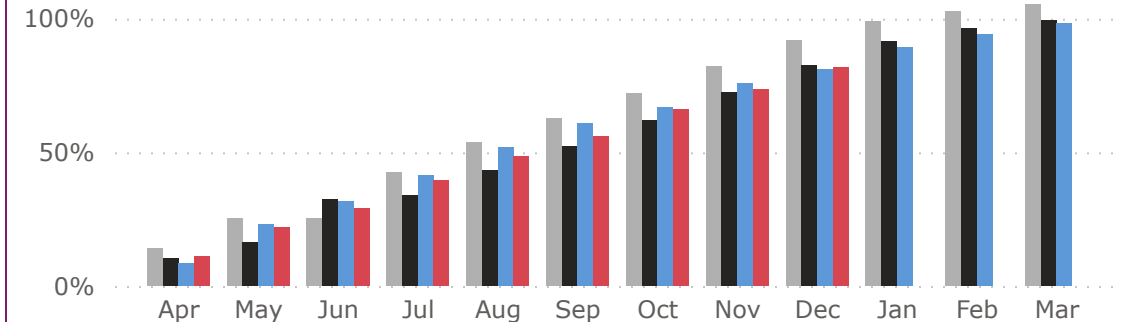
Number of Reminders and Summonses issued for Council Tax

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



Percentage collection of business rates

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



18. Resources and Property



Latest Data Period:

December 2023



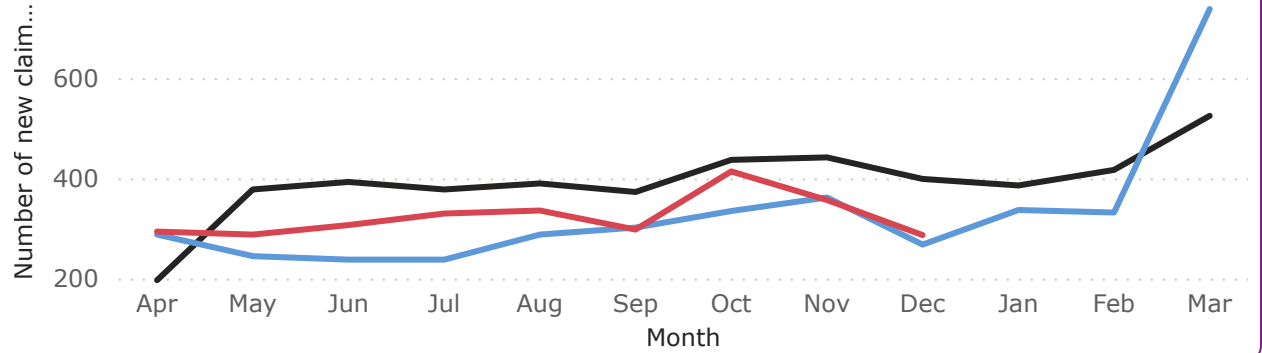
Commentary or Summary

Days taken to process Housing Benefit and Council Tax Reduction claims:

The days taken to process HB claims is over the Q3 target of 8 days. A system issue with CTR automation which affected the volumes of manual CTR assessments and impacted on performance across the Benefits Team is now fixed and we have undertaken some targeted workdays to get HB claims up to date. This campaign is now focusing on getting CTR claims up to date and will continue over the coming months with the aim of meeting the year-end target. As Universal Credit continues to migrate the proportion of more complex supported and temporary housing cases is impacting processing times and we are working with DWP to help them understand the impact of the changing caseload.

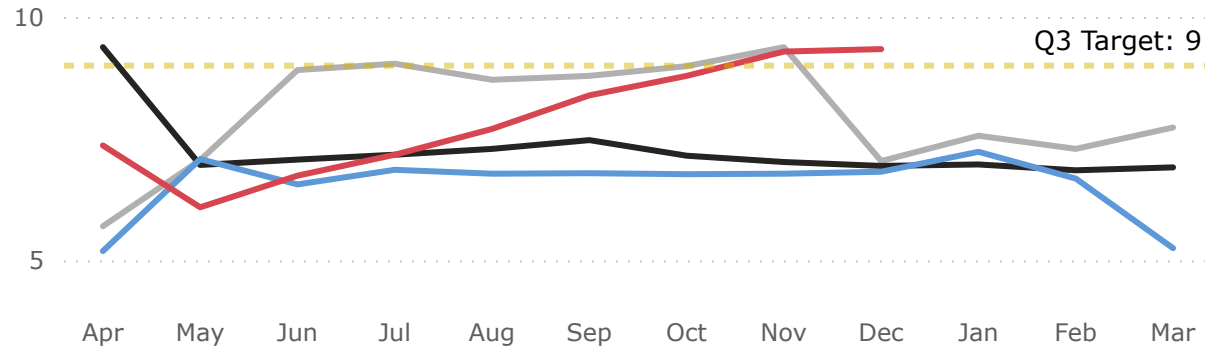
Number of new claims for Local Council Tax Reduction Scheme

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



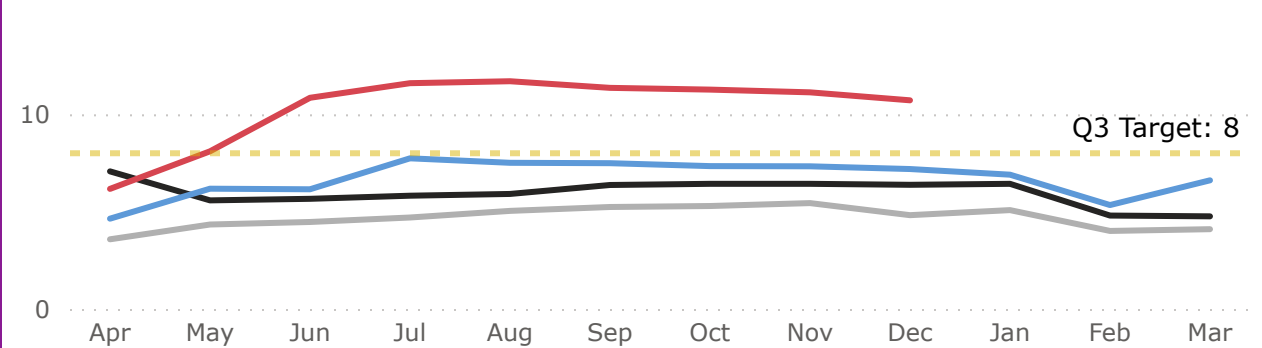
Days taken to process Local Council Tax Reduction Scheme claims

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



Days taken to process Housing Benefit claims

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



19. Resources and Property

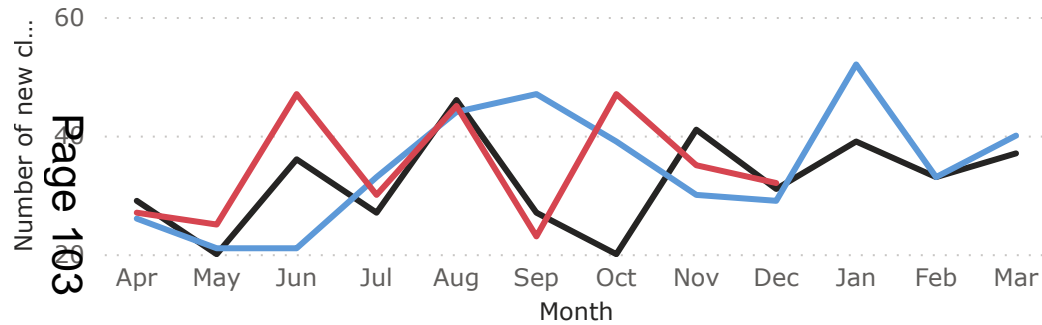


Latest Data Period:

December 2023

Number of new claims for housing payments for temporary accommodation

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

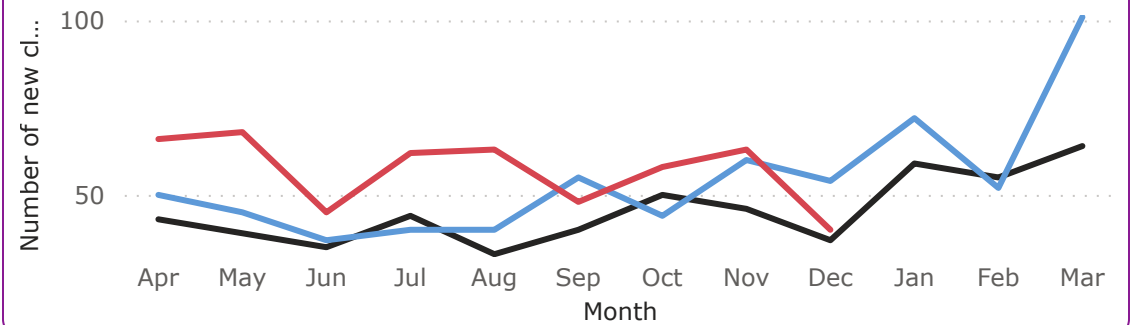


Commentary or Summary

Number of e-forms received:
This figure reflects the total number of e-claims received for all partners combined within the Anglia Revenues Partnership and includes 37,488 Energy Rebate Applications. The breakdown by partner council is not yet available.

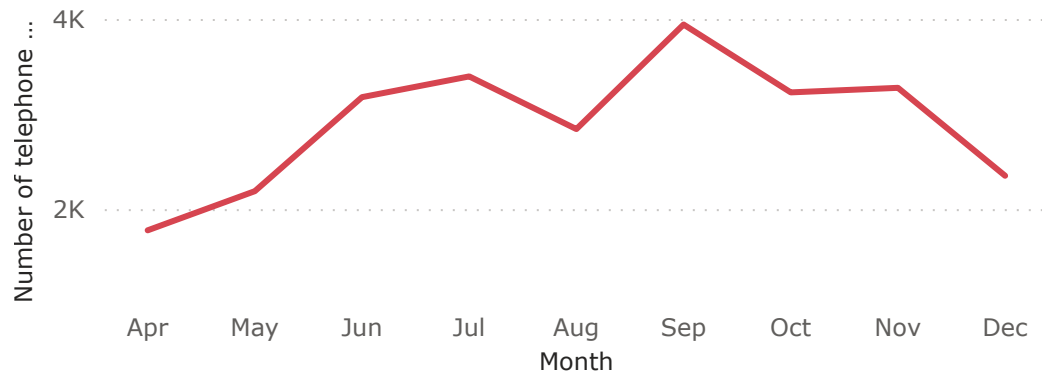
Number of new claims for Discretionary Housing Payment or Exceptional Hardship Fund

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



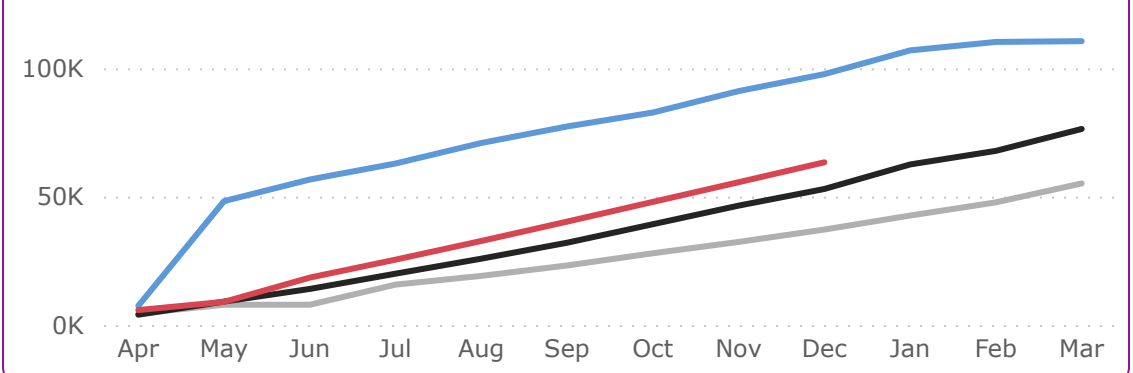
Number of telephone calls made by the Recovery Team

Financial Year ● 23-24



Number of e-forms received (YTD)

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



20. Resources and Property



Latest Data Period:

December 2023

Commentary or Summary

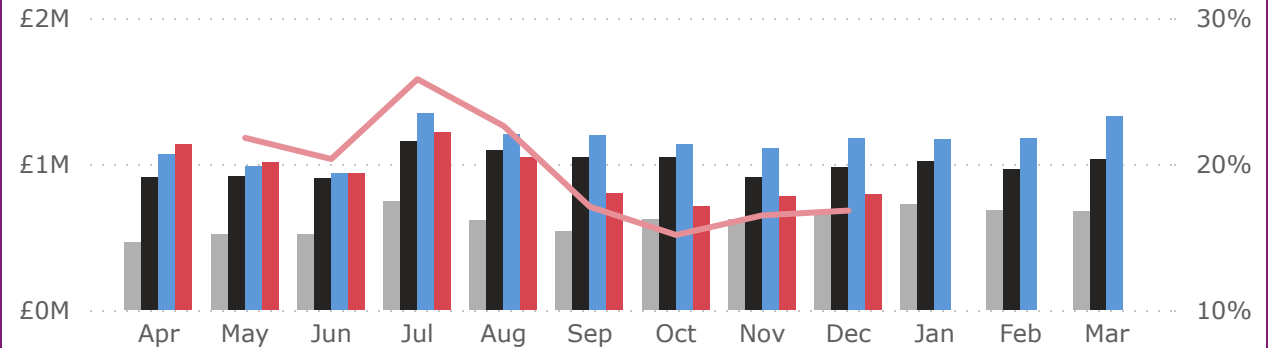
Amount of debt over 90 days old: The overall debt over 90 days position is broadly unchanged in total but within that there have been significant payments made (particularly in the older Commercial Property debts) but there are being replaced by other newer tenant debt moving into the over 90 day range.

Percentage of the total overdue debt out of the total invoiced moving total: This is a new KPI this quarter. The purpose of this metric is to show the total debt over 90 days as a percentage of the monthly average invoices raised for the year.

% voids across entire commercial estate: The void rate figure has remained

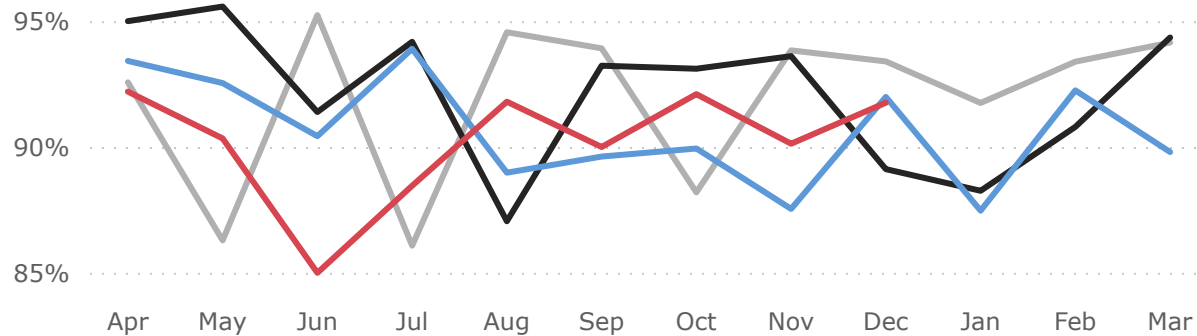
Amount of debt over 90 days old

Financial Year ● 20-21 ● 21-22 ● 22-23 ● 23-24 — Percentage of the total overdue debt out of the...



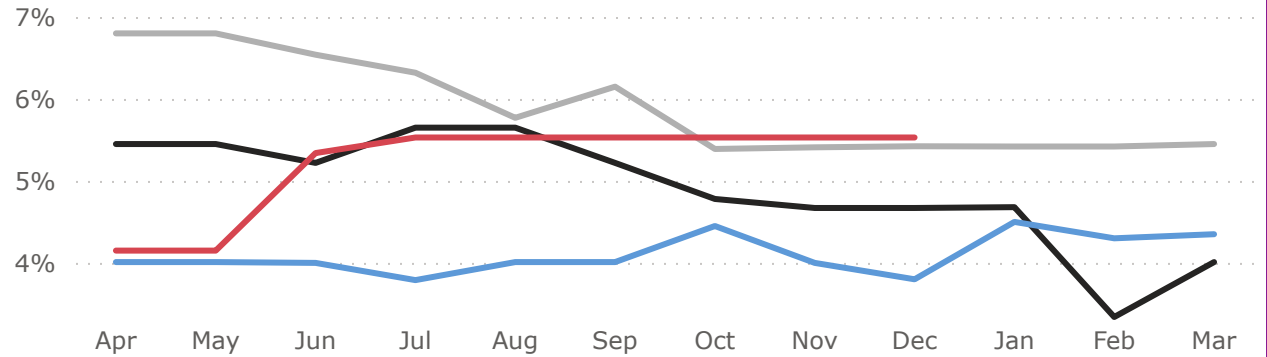
Percentage of undisputed invoices paid within 30 days

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



Percentage of void properties across entire commercial estate

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



21. Governance



Latest Data Period:

December 2023



Commentary or Summary

Average number of sick days lost per FTE per year: A slight decrease since November 2023 with a number of staff returning from long term absences.

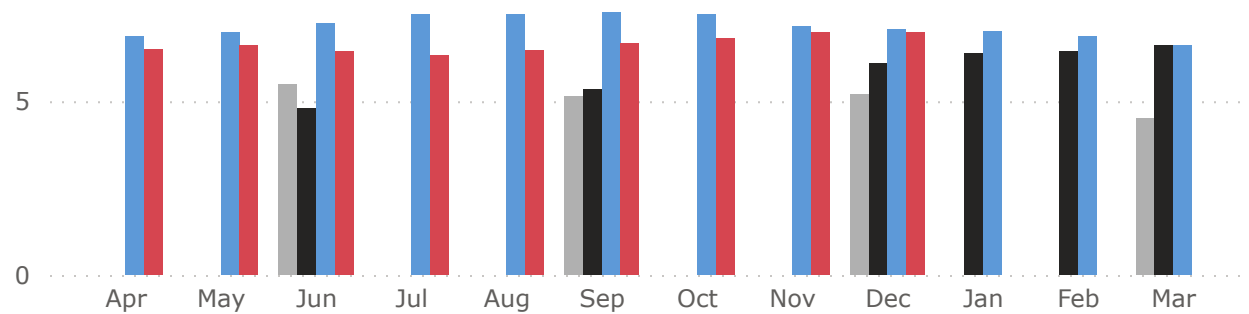
Head count: No change since November 2023.

Number of new starters YTD: Two new starters in December 2023.

Page 105

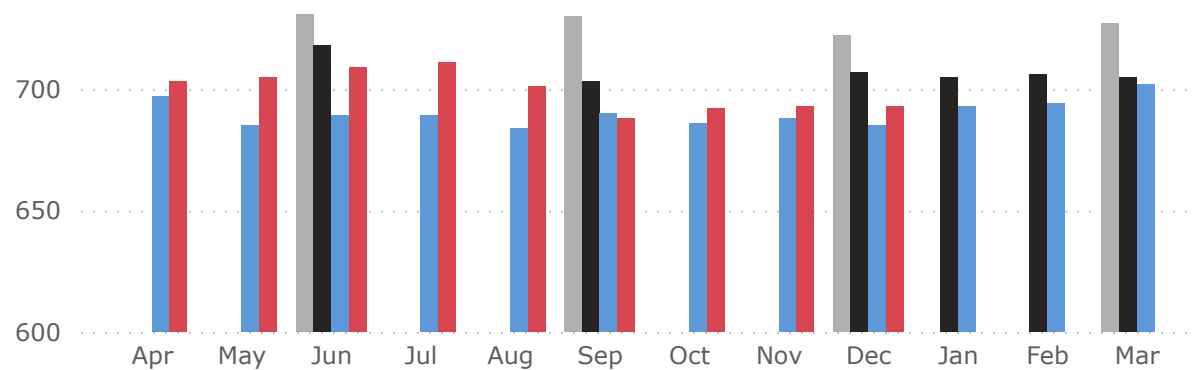
Average number of sick days lost per FTE per year

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



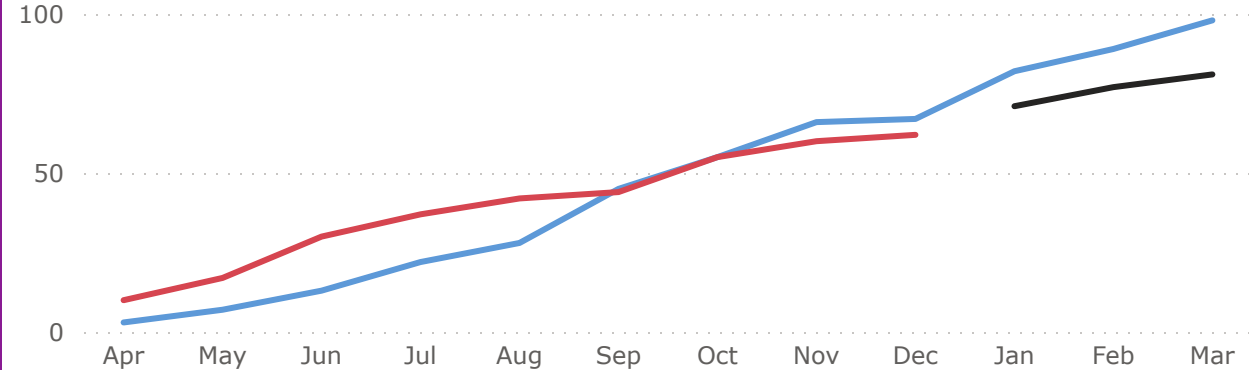
Number of current employees (head count)

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



Number of new starters (YTD)

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



22. Governance



Latest Data Period:

December 2023



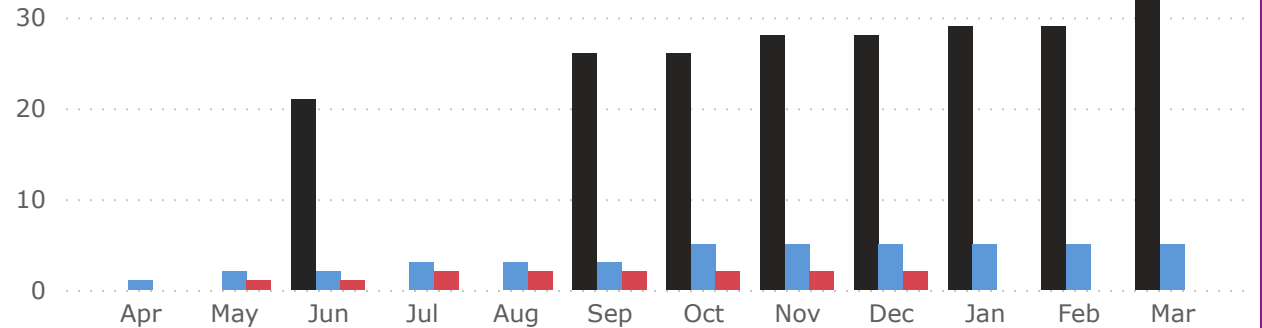
Commentary or Summary

Canvass: The Council agreed to delay the publication of the electoral register to 1 February 2024 so this figure will not be available until early February.

Typically, a revised electoral register is published on 1 December each year following the annual canvass. In 2020 the canvass approach was reformed nationally and now involves national and local data matching, e-comms via text and email, postal forms, telephone canvassing and door knocking by canvassers. We achieved a canvass completion rate of 98 per cent of properties for both the 2020 and 2021 annual canvass.

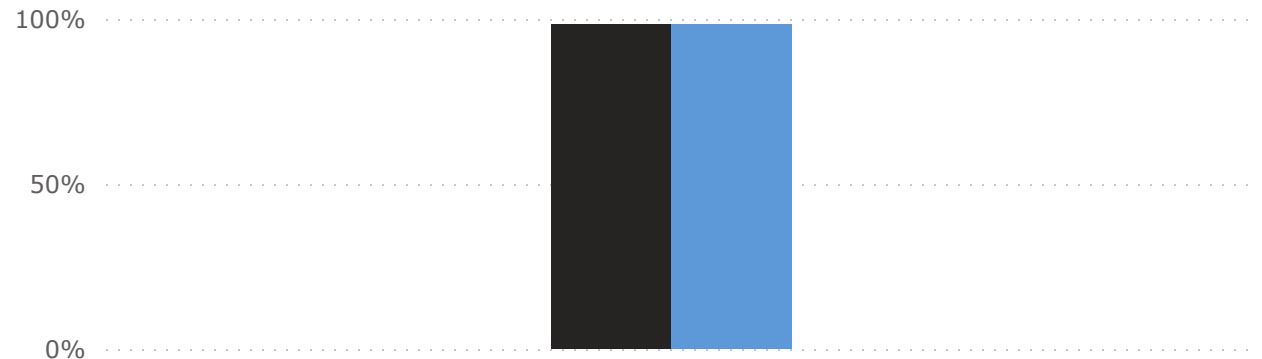
Number of unscheduled elections and referendums held (YTD)

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



Percentage overall canvass completion

Financial Year ● 21-22 ● 22-23



23. Regulatory and Environment



Latest Data Period:

December 2023

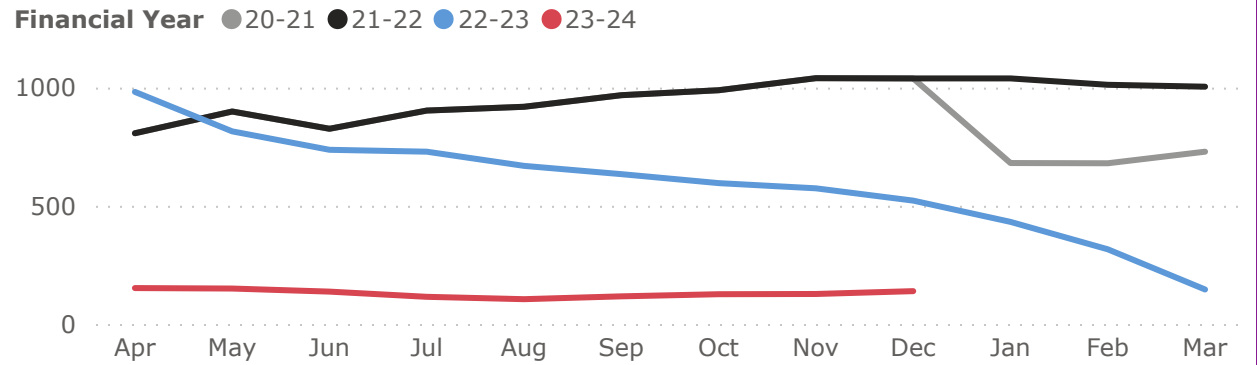


Commentary or Summary

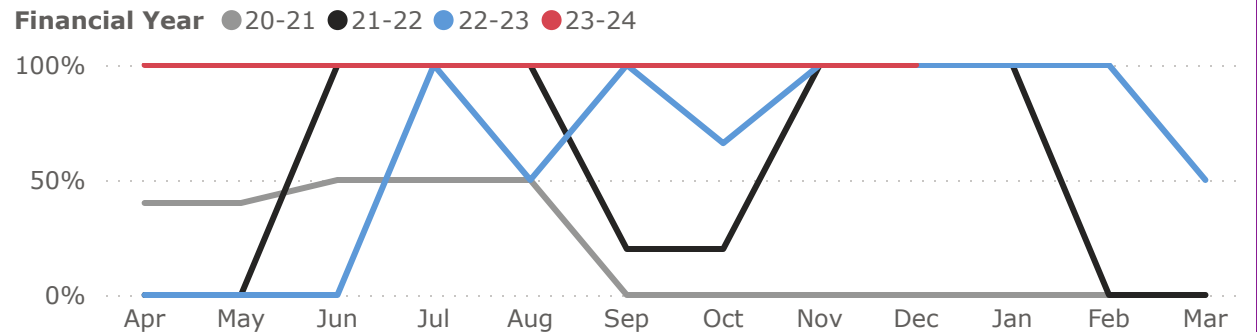
Number of outstanding routine food hygiene inspections due: 139 outstanding inspections on 31 December 2023. Food hygiene inspection activity by the CEH team is being carried out in accordance with the Food Standards Agency's Code of practice. However, there will always be a number of rolling number of outstanding as every month new ones become due. Although it looks like there has been no shift, 28 food hygiene inspections have been completed during December 2023 by the team.

The team have been prioritising some health and safety accident investigations and well as the health and safety project over the summer has impacted on work still on going from this. FTE Technical Officer started January 2024. We have also been prioritising a health and safety issue at a site which is taking considerable time.

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



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



24. Regulatory and Environment



Latest Data Period:

December 2023

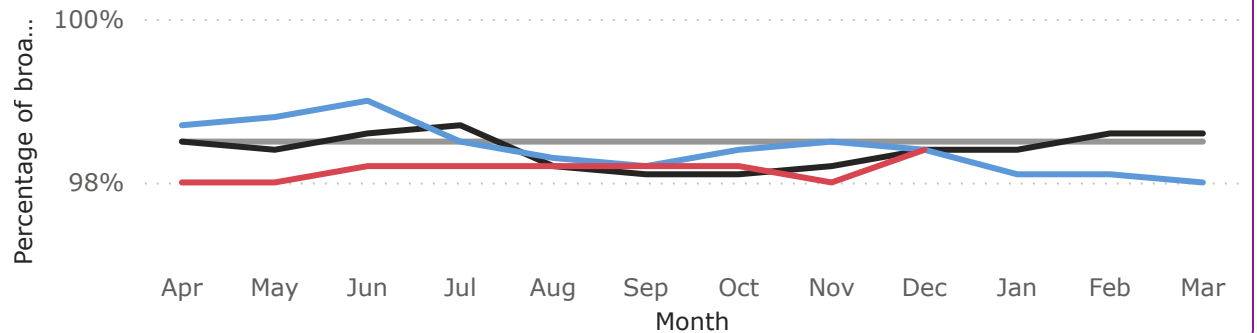
Commentary or Summary

Percentage of broadly compliant food businesses: This figure continues to compare favourably with both Regional (97.7%) and National (96.9%) figures.

Page 108

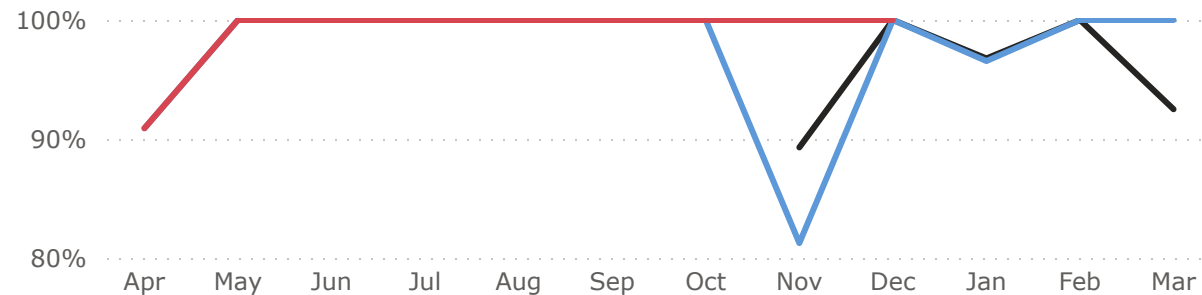
Percentage of broadly compliant food businesses (given rating between 3 and 5)

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



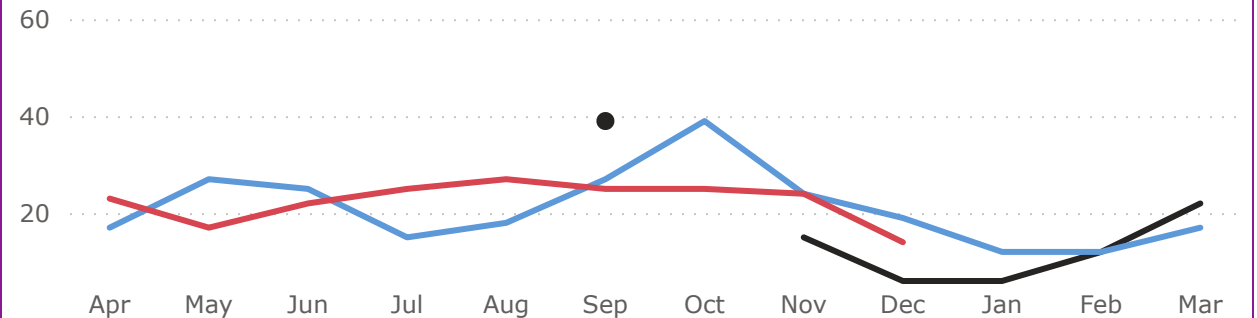
Percentage of complaints and incidents regarding West Suffolk food businesses resolved within three months

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



Number of new food premises applying for a new registration licence

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



25. Regulatory and Environment



Latest Data Period:

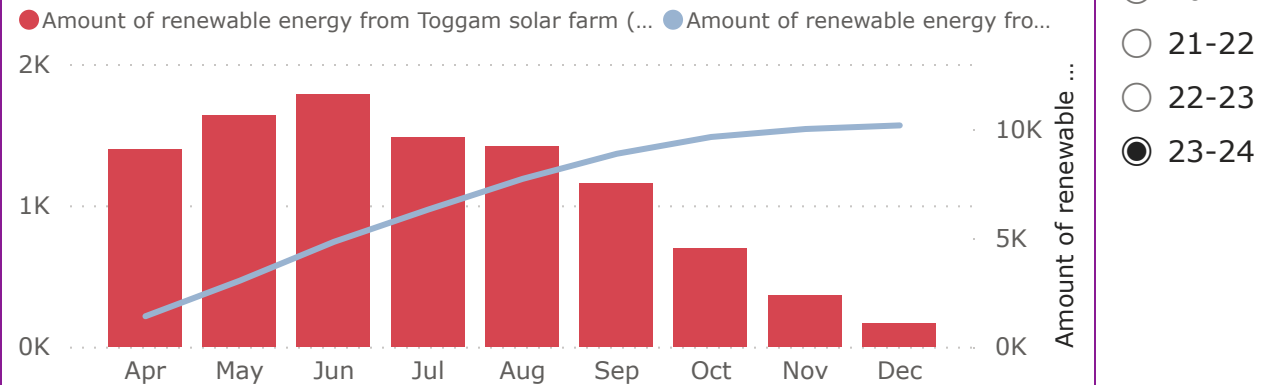
December 2023

Commentary or Summary

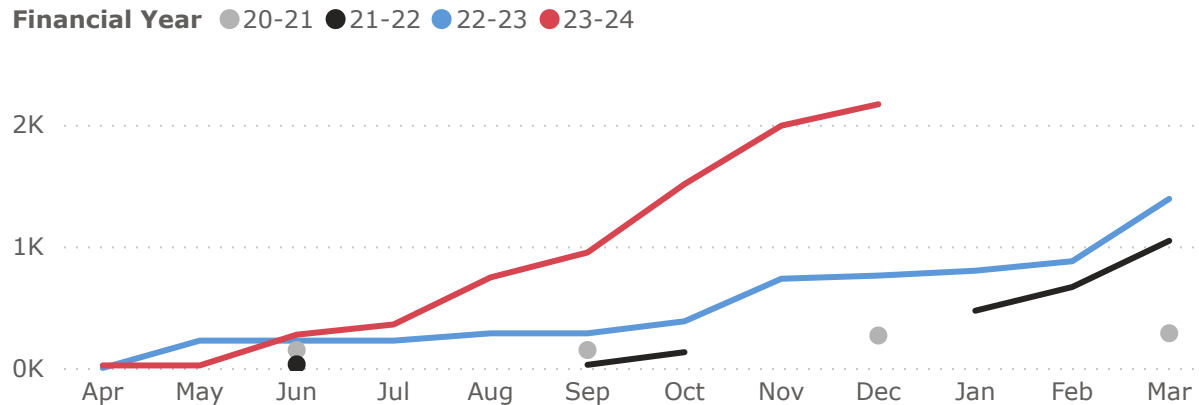
Capacity of solar installations completed by the council YTD: We completed four solar installations in December 2023, including 100kW at West Suffolk Operational Hub.

Page 109

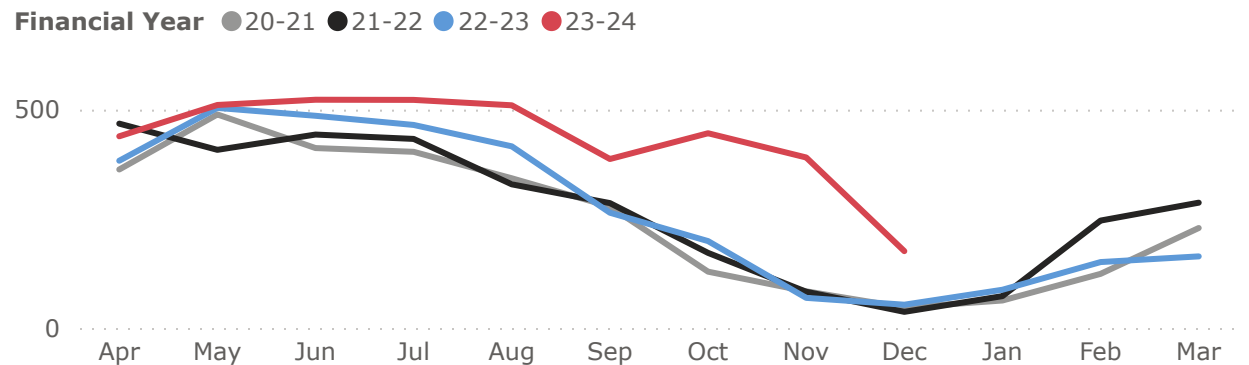
Amount of renewable energy from Toggam solar farm (MWh)



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



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



26. Families and Communities



Latest Data Period:

December 2023



Commentary or Summary

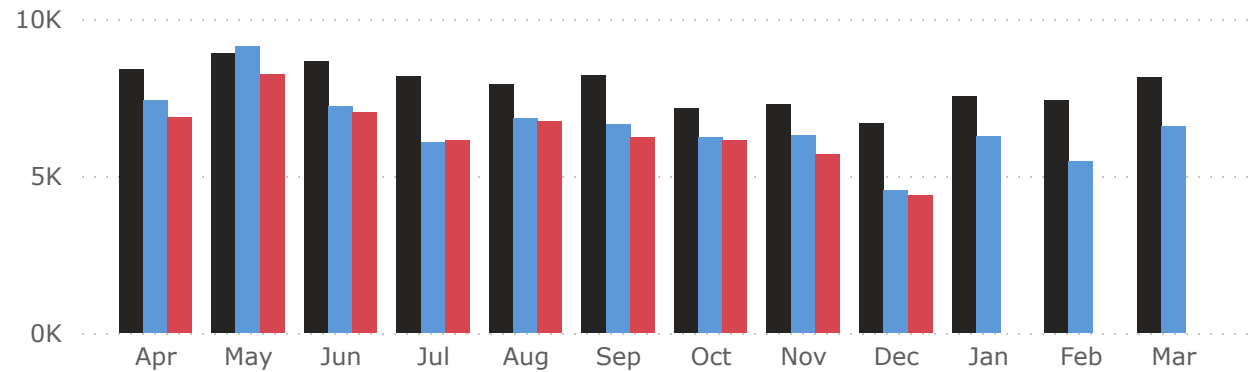
Number of contacts received - phone: The three busiest lines in Q3 have been Housing, Waste and Planning accounting for 63% of all calls received.

Face to face contacts received: Visitor numbers increased in Q3 compared to Q2. This is due to a spike of visitors across all building users attending West Suffolk House in November 2023. Mainly for meetings but West Suffolk Council did see an increase in customers attending without an appointment. West Suffolk Council visitors without appointments came for mainly for Housing, Parking Permits and ARP (Council Tax).

Suffolk County Council and other building users account for 57% of people

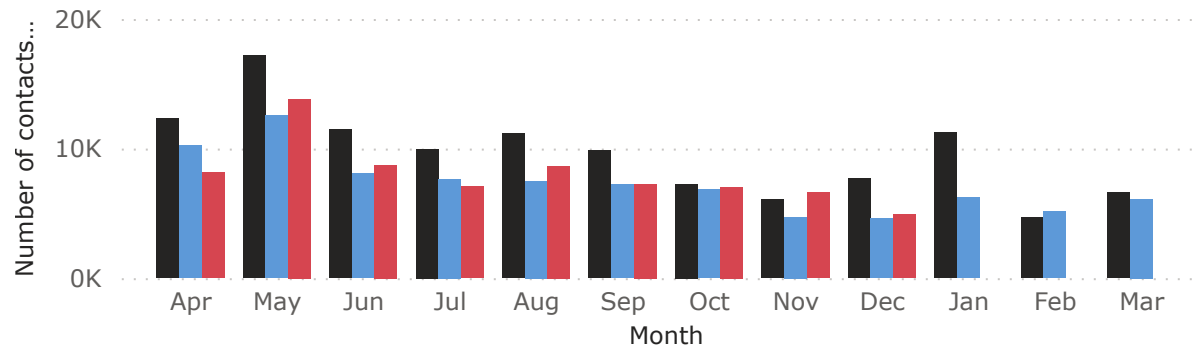
Number of contacts received - phone

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



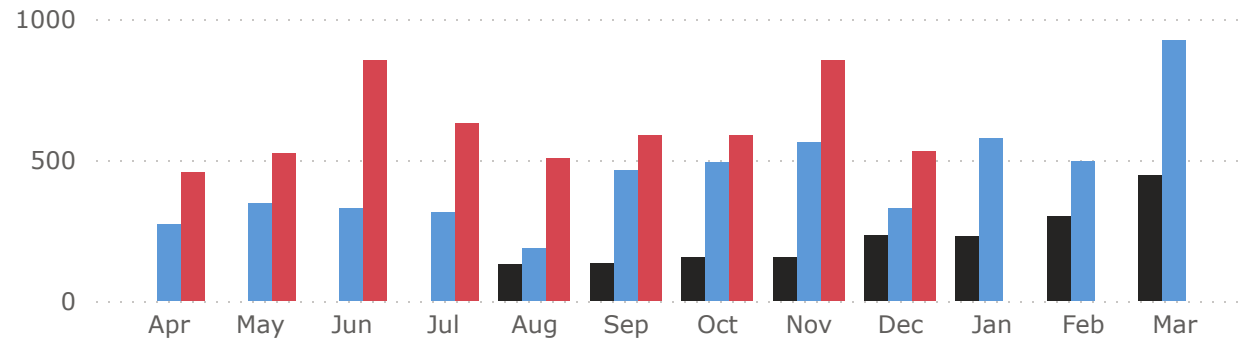
Number of contacts received - online or email

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



Number of contacts received - face-to-face

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



27. Families and Communities



Latest Data Period:

December 2023

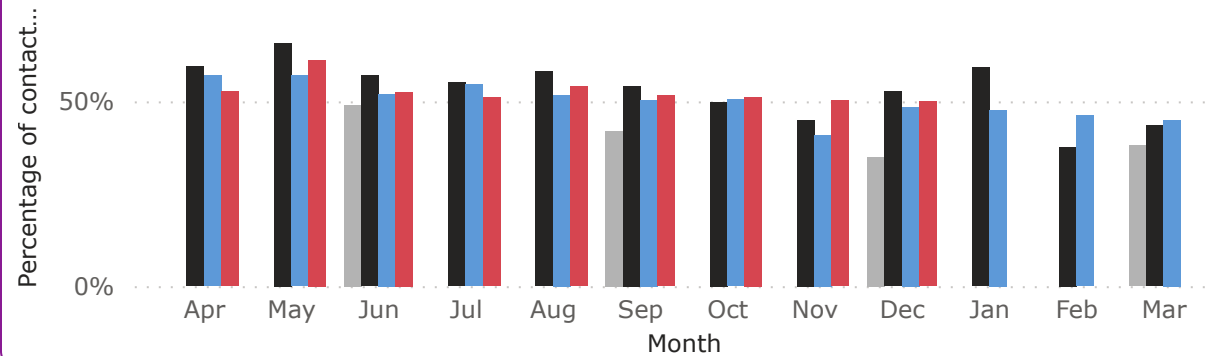
Commentary or Summary

Percentage of contacts received - online or email: We continue to see slightly higher % of customers choosing to contact us online or via email compared to phone.

Page 111

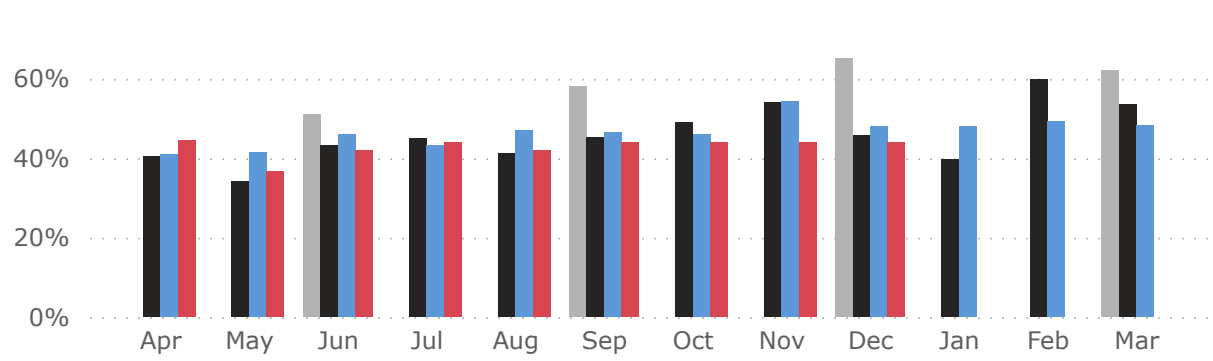
Percentage of contacts received - online or email

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



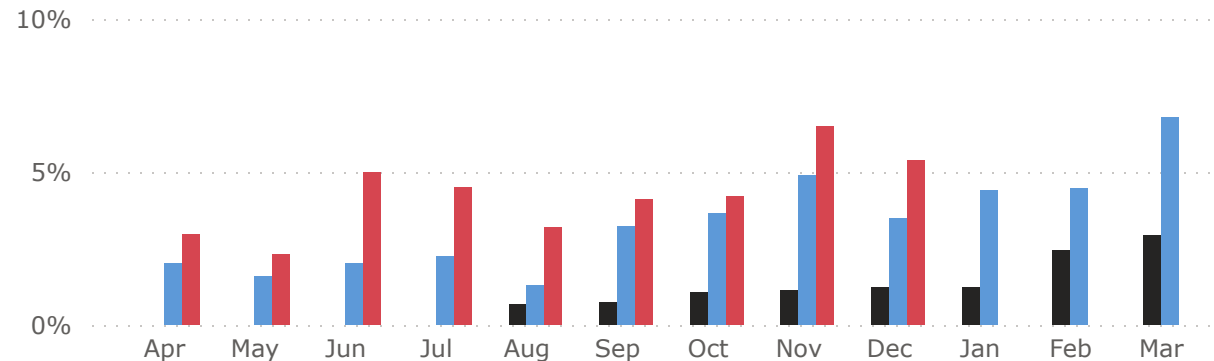
Percentage of contacts received- phone

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



Percentage of contacts received - face-to-face

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



28. Families and Communities



Latest Data Period:

December 2023

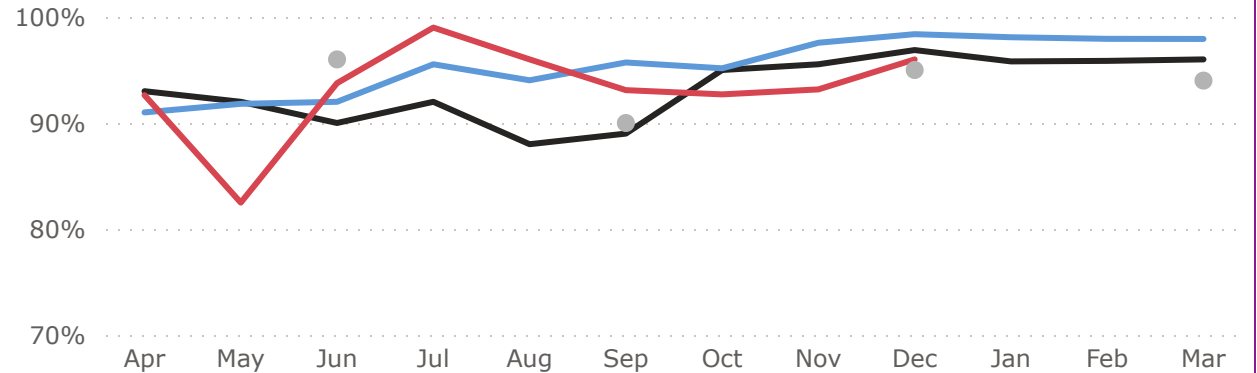
Commentary or Summary

Percentage of phone calls answered: The contact centre solution changed from Mitel to CC4All on 10 November 2023. All lines were migrated throughout the day and the move went smoothly. The new system moves away from physical handsets and separate contact centre software and runs over teams with a softphone solution. This has been a change for the Customer Service Advisers, and they had to manage a new system moving in real time whilst ensuring we maintained operational cover. We maintained an answer rate of 98% on 10 November 2023 when we changed systems.

Percentage of customer satisfied with service received: A low satisfaction rate in December 2023 but only 6 responses received via online survey. 1 was

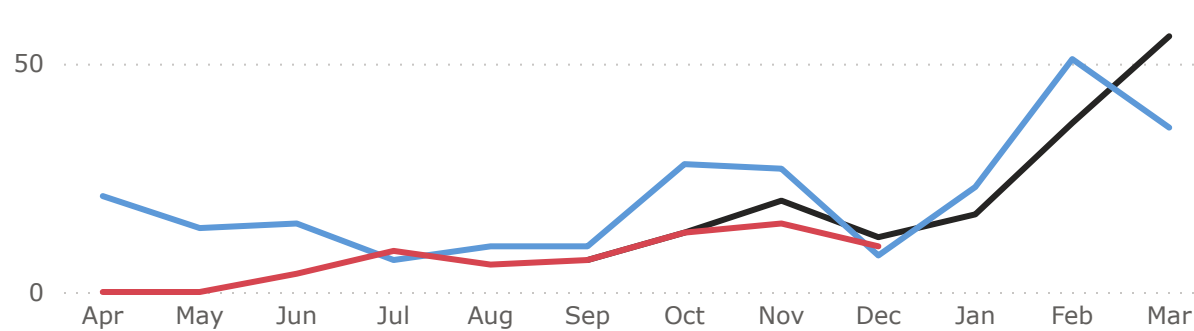
Percentage of phone calls answered

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



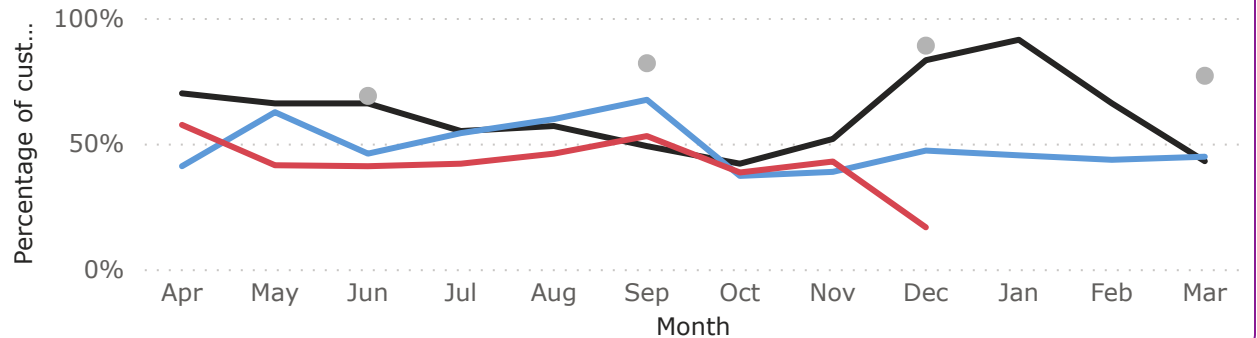
Number of locality budget applications processed by the team

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



Percentage of customers satisfied with service received

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



29. Growth



Latest Data Period:

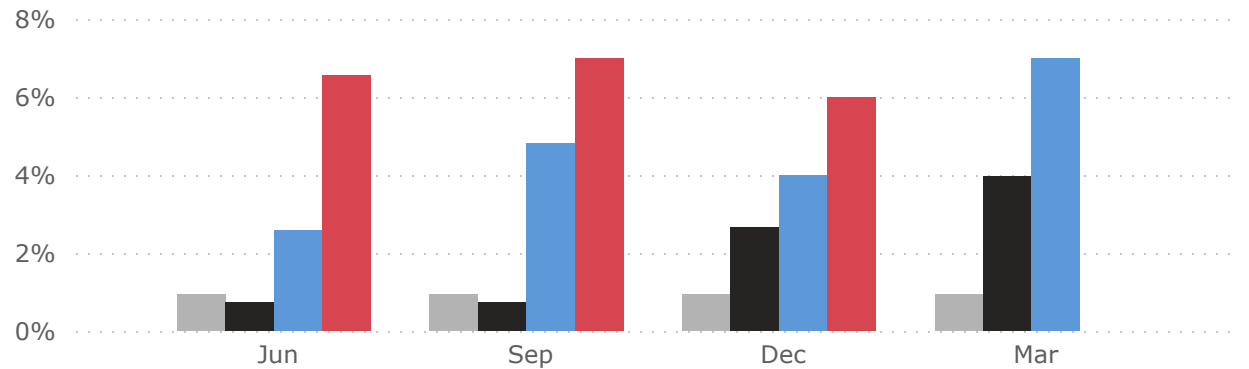
December 2023

Commentary or Summary

Percentage of businesses that are new start-ups in West Suffolk: The number of start-up businesses across West Suffolk fell slightly in Q3 2023, showing 1,054 businesses compared to 1,228 in Q2 2023. This is not unusual and is consistent with previous years. October 2023 shows the highest number at 390. Overall, Q3 2023 has generated an increase of 698 new start-up businesses since Q3 2022.

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

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



30. Leisure, Culture and Community Hubs



Latest Data Period:

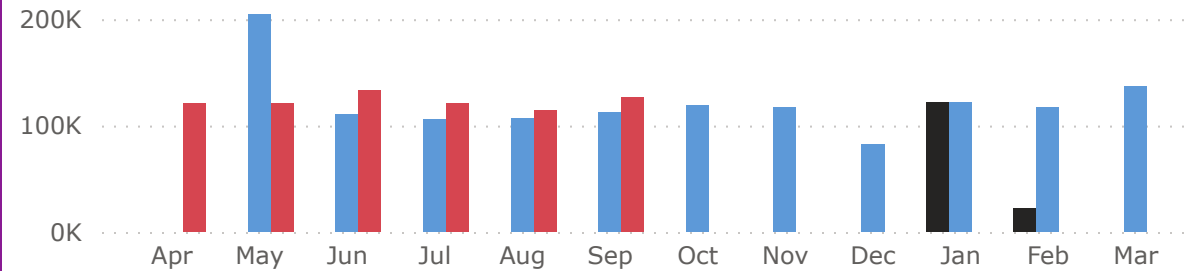
December 2023

Commentary or Summary

Page 114

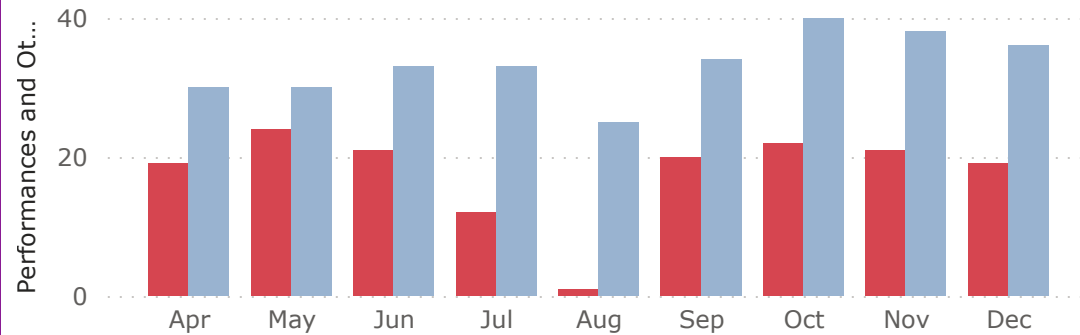
Number of non-membership admissions to Abbeycroft (one month lag)

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



Number of performances and other events at The Apex

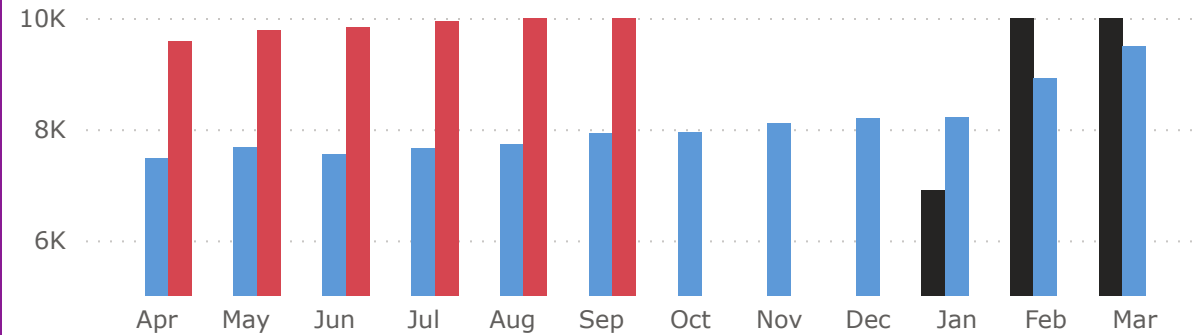
● Performances ● Other events



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

Number of Abbeycroft memberships (one month lag)

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



31. Leisure, Culture and Community Hubs



Latest Data Period:

December 2023



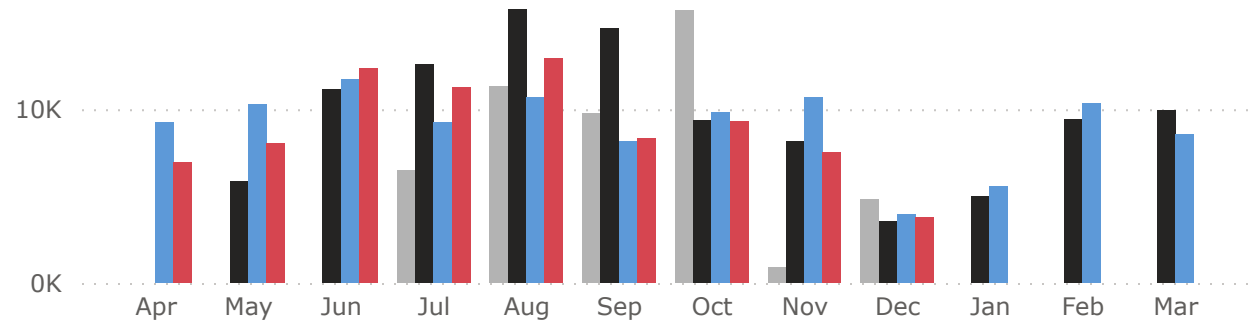
Commentary or Summary

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

Number of visits from school pupils and visitors to West Suffolk heritage sites: Low figures for December 2023 due to seasonal variations, lots of bad weather, cost of living and school holidays, visiting numbers are slightly lower than other months – however they are on par with last year.

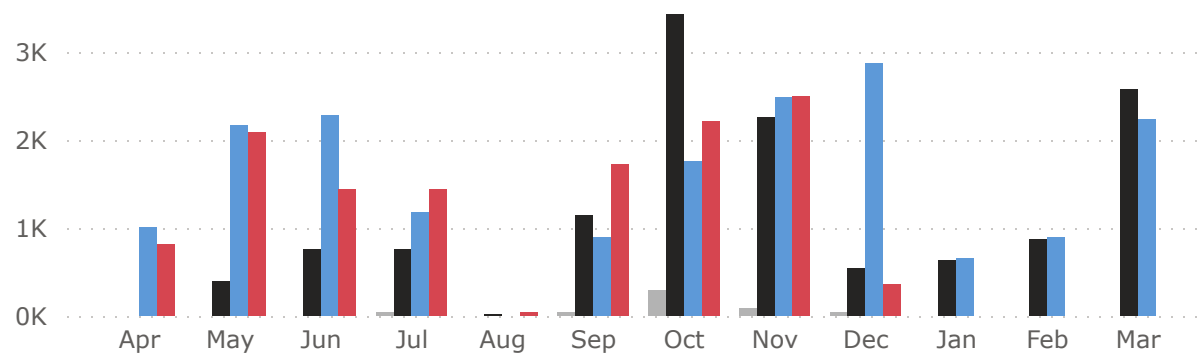
Number of visitors to West Suffolk heritage sites

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



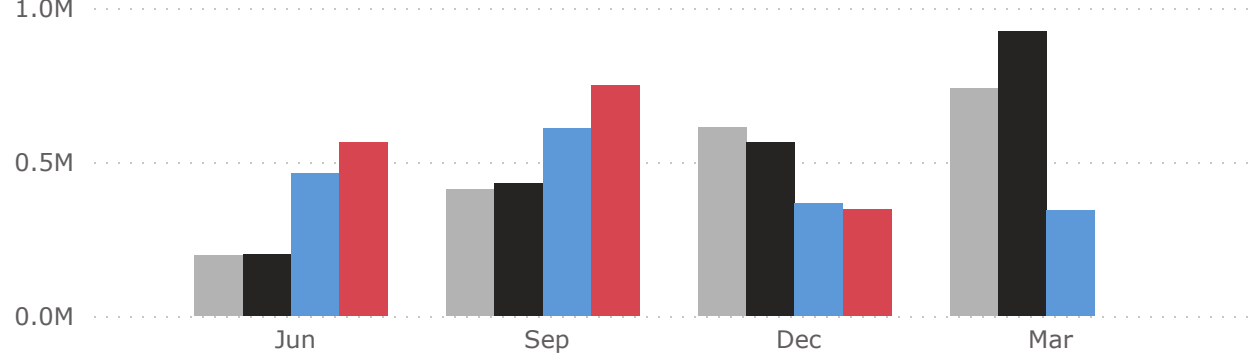
Number of visits from school pupils to West Suffolk heritage sites

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



Number of visitors to West Suffolk parks

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



32. Planning



Latest Data Period:

December 2023

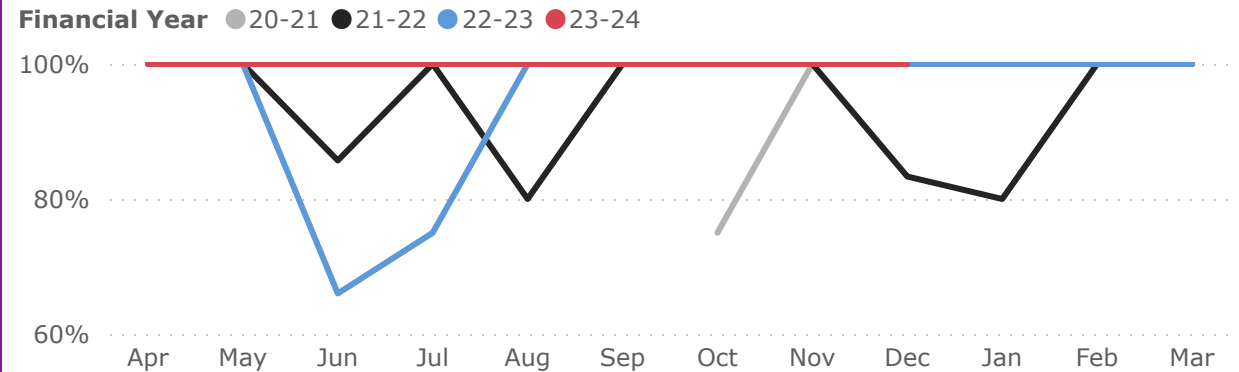
Commentary or Summary

2 major planning applications were determined in December 2023. All were determined in target and one required an extension of time.

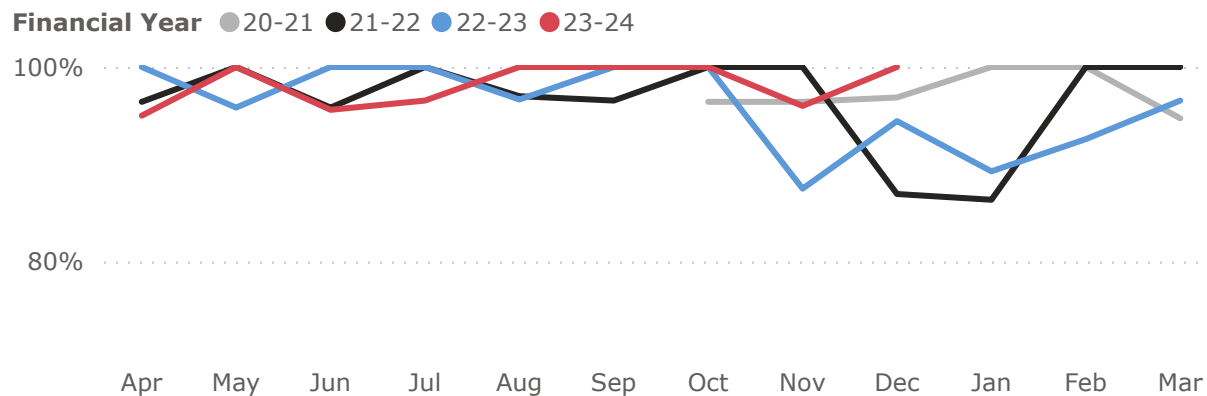
15 minor planning applications were determined in December 2023, all were determined on target. 4 applications were determined within 8 weeks, 11 required an extension of time.

31 other planning applications were determined in December 2023. 30 were determined on target. 19 were determined within 8 weeks, 11 required an extension of time. 1 application with an extension of time was determined out of target.

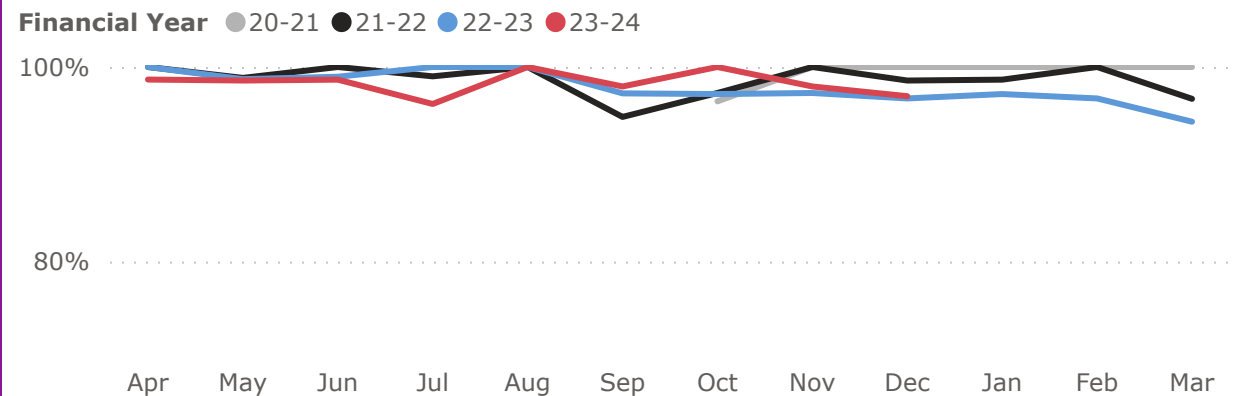
Percentage of major planning applications determined within the agreed timescales



Percentage of minor planning applications determined within the agreed timescales



Percentage of other planning applications determined within the agreed timescales



33. Planning Development



Latest Data Period:

December 2023



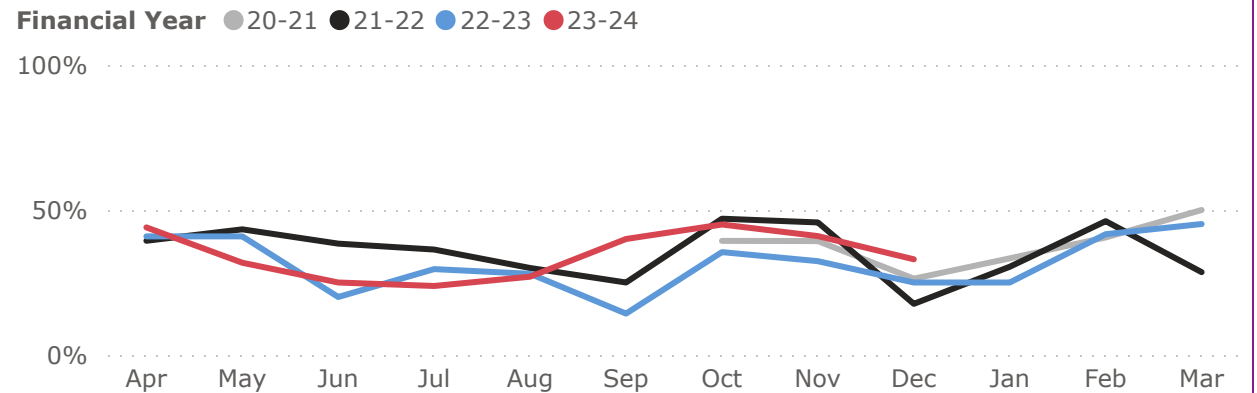
Commentary or Summary

% of major and minor applications with pre- application advice: 24 major and minor applications were received in December 2023, 8 of those had a pre-app. It should be noted that the percentage of pre-applications does not take into account the relative complexity of pre-application requests. Neither does it reflect the fees received (which are linked to complexity).

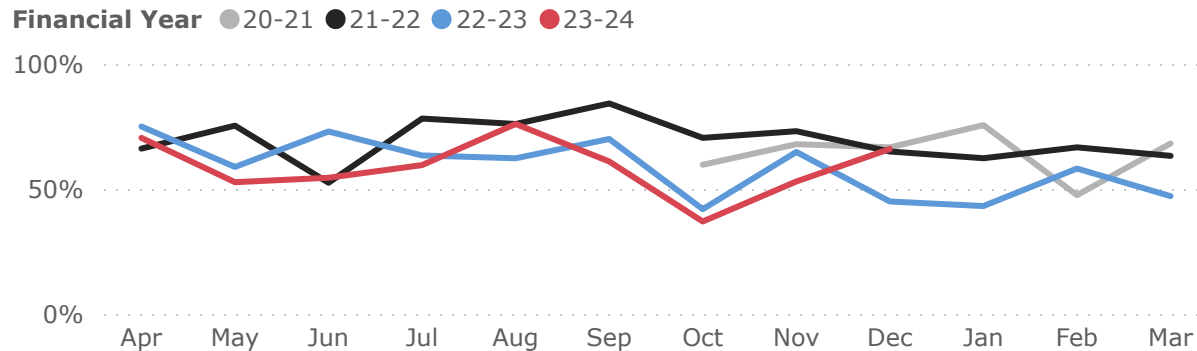
% applications with pre-app advice: 153 applications were received in December 2023. 35 of these had pre-app advice of which 23 were valid first time.

% of applications without pre-app advice: 118 applications did not have pre-app advice in December 2023 of which 87 were valid first time.

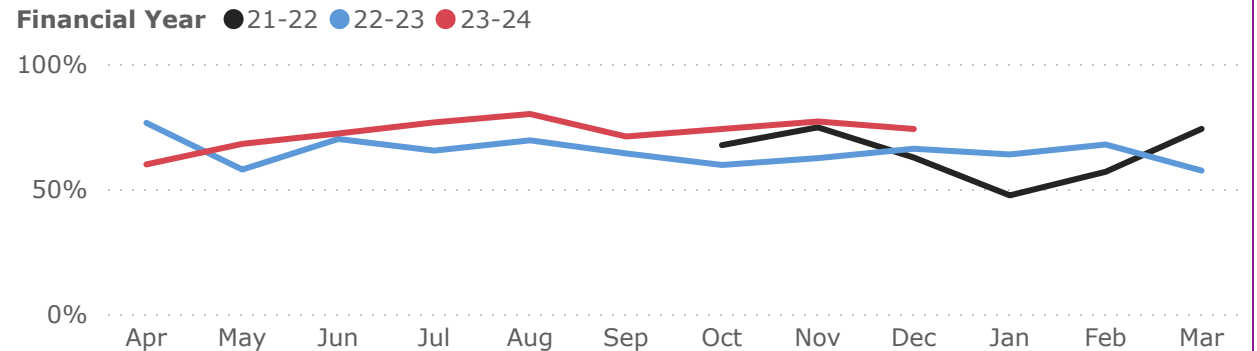
Percentage of major and minor applications with pre-application advice.



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



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



34. Planning



Latest Data Period:

December 2023

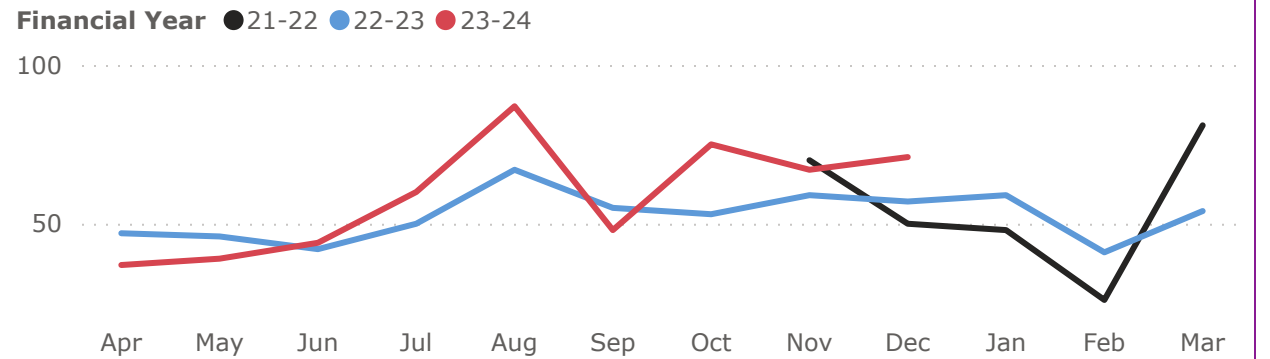
Commentary or Summary

Number of applications not monitored by DLUHC which are included on government returns: The majority of applications which are not included in the DLUHC return relate to works to TPO's trees or Trees in the Conservation Area. The trajectory appears to reflect a seasonal trend when applications are submitted to reflect tree work being planned to take place outside of the usual nesting season for birds.

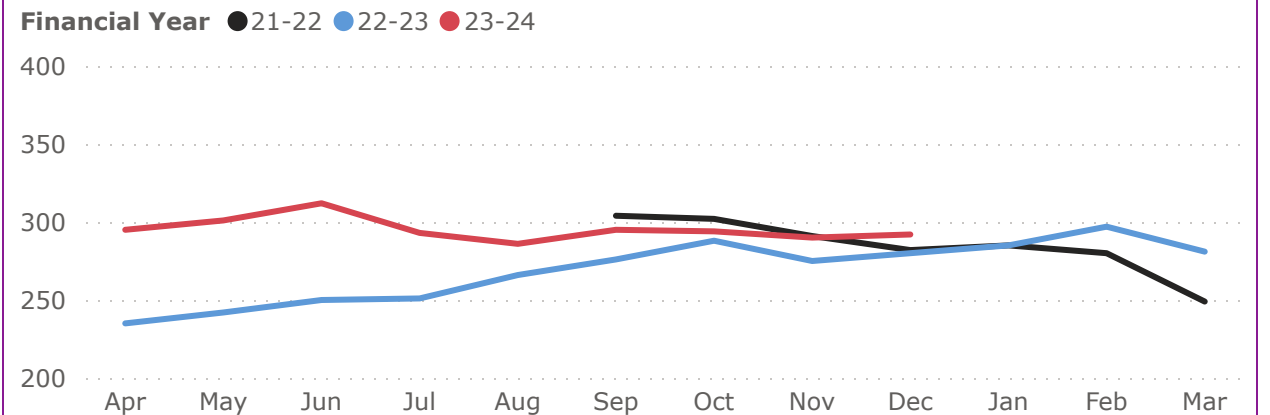
Planning enforcement cases: We have received 12 new cases in December 2023, we have resolved 7 cases. The reasons closed are detailed below:

- No breach established - 3
- Remedied following informal action – 3
- Transferred to a new case - 1

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



Number of open planning enforcement cases



35. Planning



Latest Data Period:

December 2023

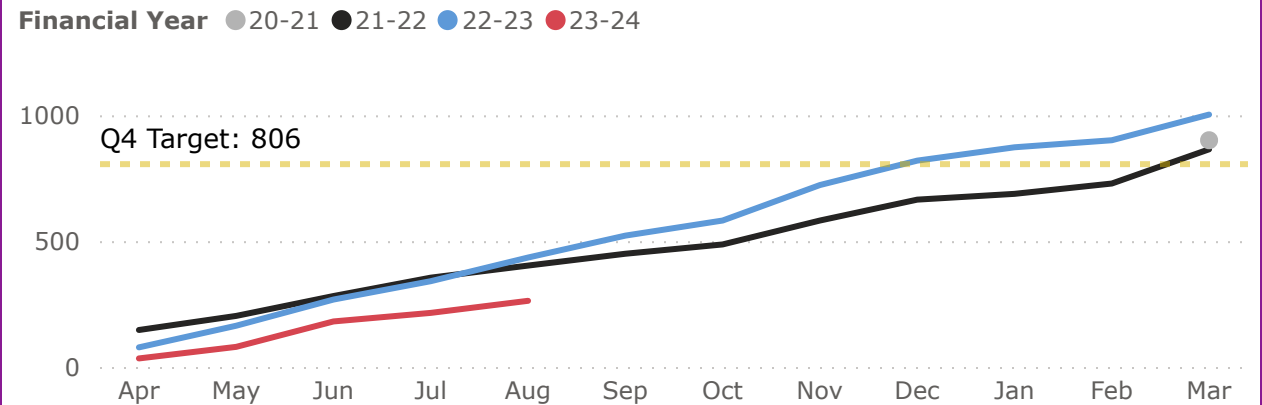
Commentary or Summary

The number of net additional dwellings completed (YTD): Updated figures to come in due course. Lower than at an equivalent point in previous years as no major strategic sites are being delivered at a high rate.

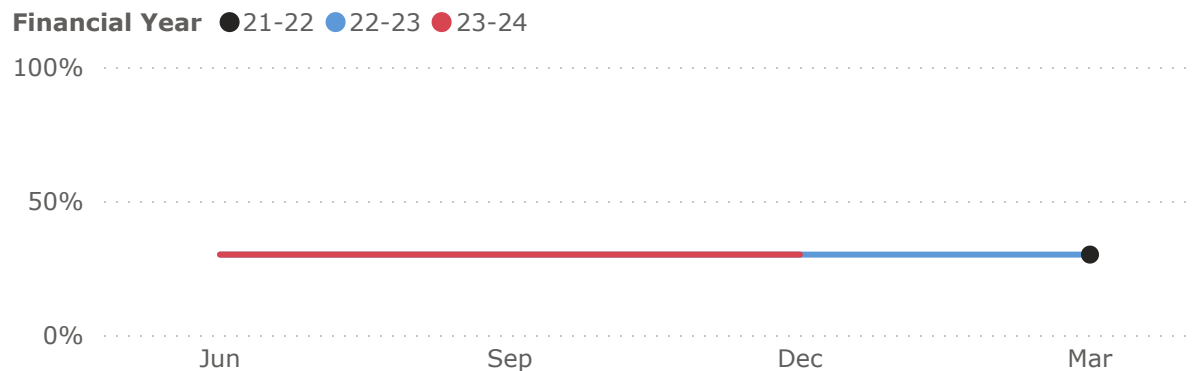
The number of affordable dwelling units built on sites of 10 or more in Q3 2023- 24 was **84**. This figure is a total of the affordable, intermediate, and social rent, plus the shared ownership sale.

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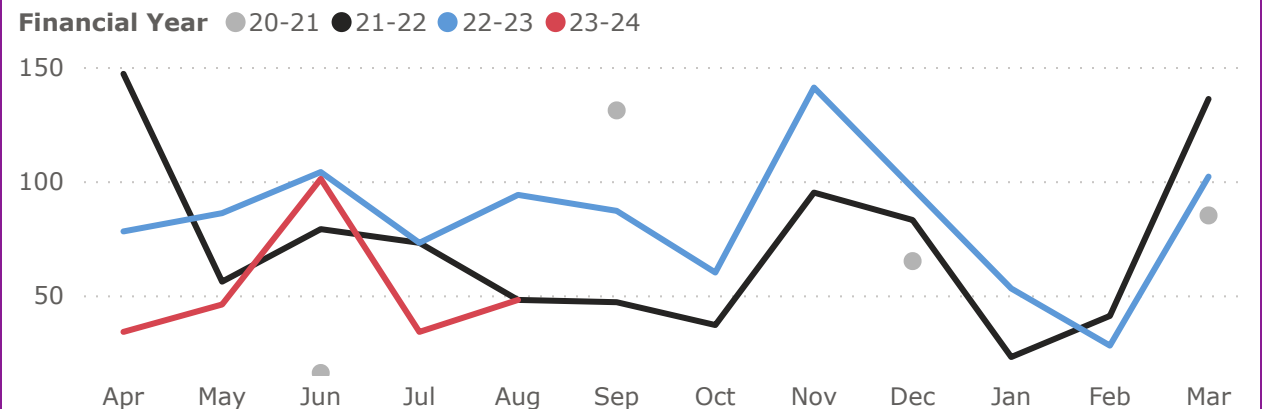
Number of net additional dwellings completed (YTD) (one month lag)



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



Number of dwelling units delivered (one month lag)



36. Operations



Latest Data Period:

December 2023

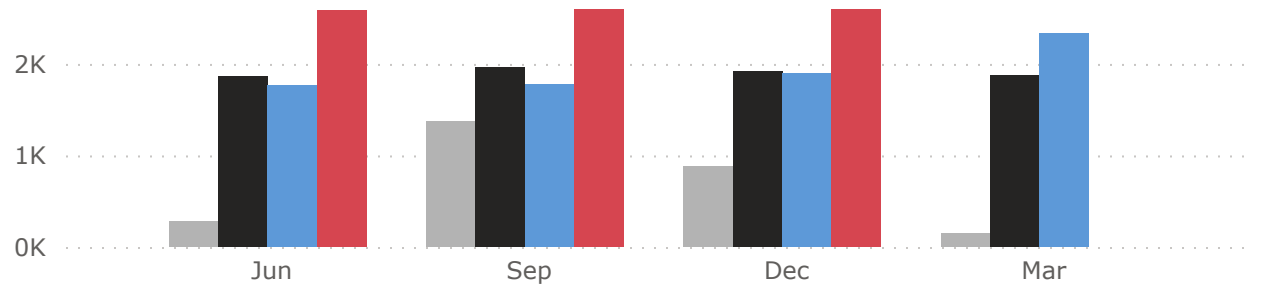
Commentary or Summary

Number of registered volunteers: Volunteer numbers have remained buoyant for the last two quarters.

Number of tree related public enquiries: We are seeing a gradual reduction in the number of tree enquiries and this correlates with the team being fully staffed and the effort that is being made to catch up with the cyclical tree inspection regime. These inspections and resulting works are picking up issues which are reducing the need for the public to report them through to us.

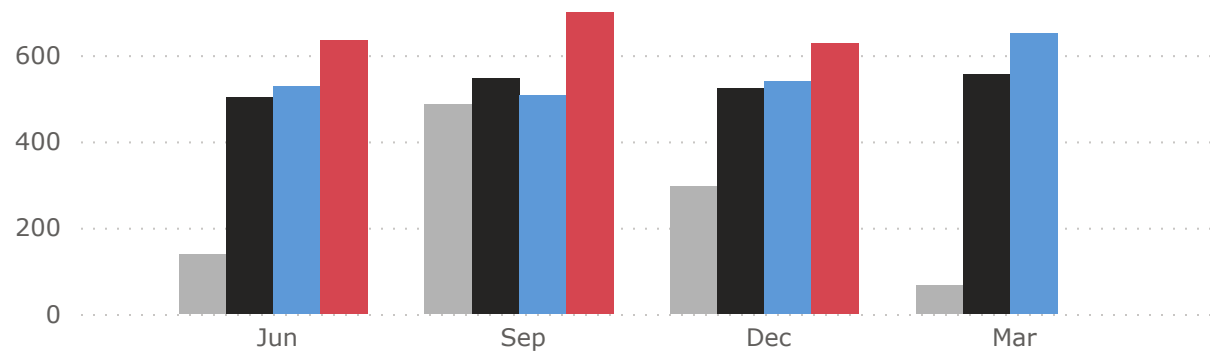
Number of hours contributed to green and heritage spaces by volunteers

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



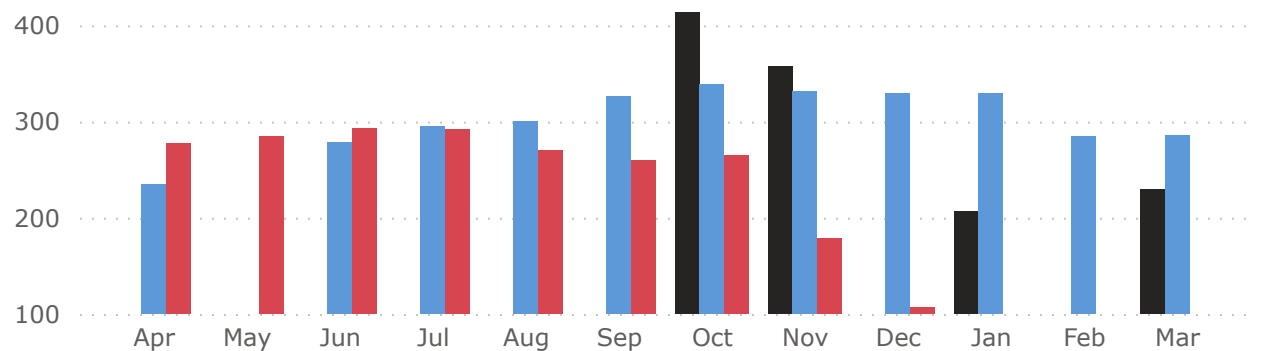
Number of registered volunteers

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



Number of tree-related public enquiries

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



37. Operations



Latest Data Period:

December 2023

Commentary or Summary

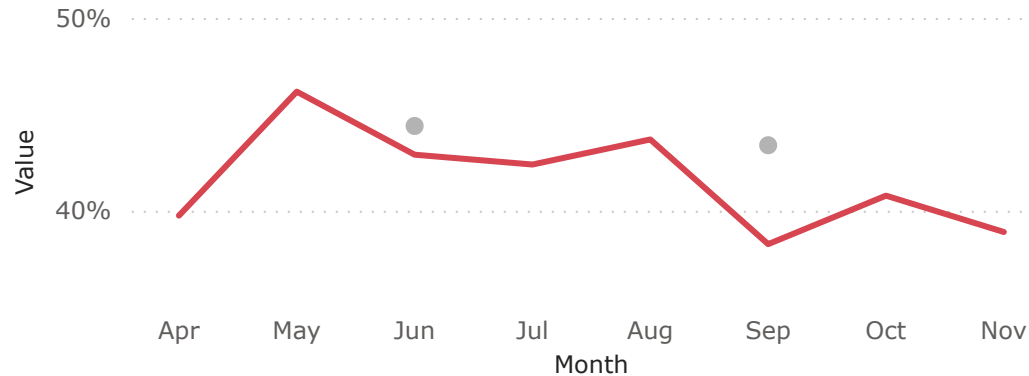
These KPIs are benchmarked to reflect Oflog Waste KPIs.

Average amount of residual waste per household: The number of households serviced has increased although the amount of waste generated per household has reduced.

Percentage of household waste recycled and/or composted: This KPI is now benchmarked against England quarterly figures from waste statistics provided by the Department for Environment, Food and Rural Affairs for the years 2020-21 and 2021-22. It is also benchmarked against Suffolk quarterly figures with more recent

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

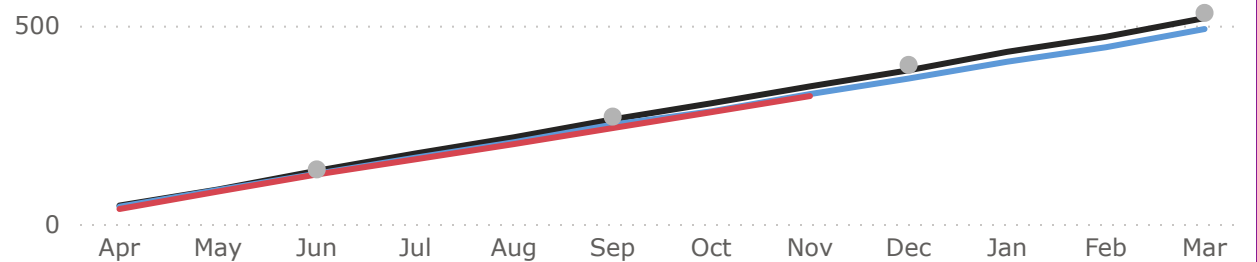
Location ● 23-24 Suffolk ● 23-24 West Suffolk



- 20-21
- 21-22
- 22-23
- 23-24

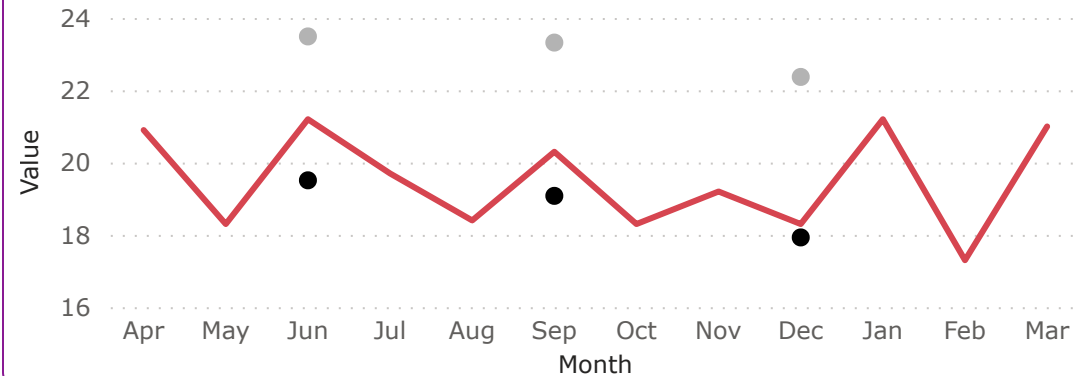
Average amount of residual waste per household - KG (YTD - one month lag)

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



Average amount of residual waste per person (KG) - comparisons

Location ● 21-22 England ● 21-22 Suffolk ● 21-22 West Suffolk



- 20-21
- 21-22

38. Operations

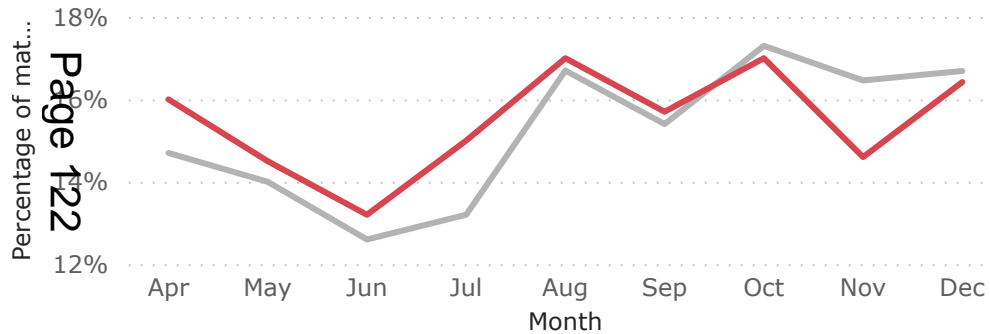


Latest Data Period:

December 2023

Percentage of material delivered to the recycling facility which is 'prohibited' (contamination rate) - comparisons

Location ● Suffolk 23-24 ● West Suffolk 23-24



Commentary or Summary

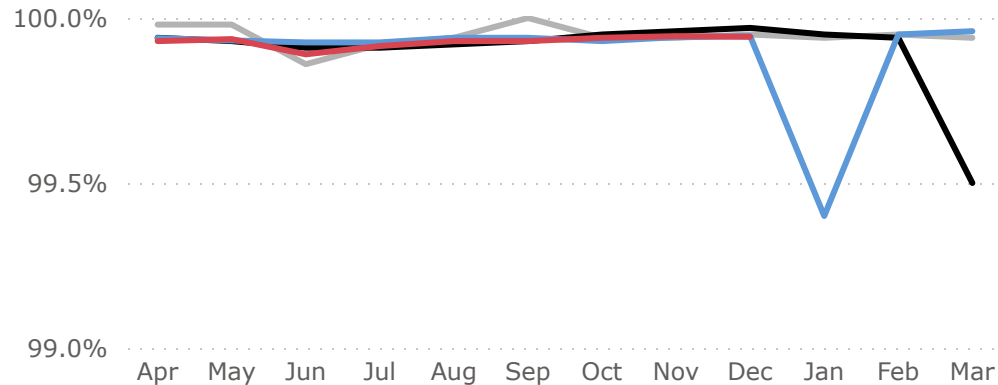
Percentage of household bins successfully collection:

Percentage of bins collected as scheduled has been consistent throughout the year. Including December 2023 where collection days had to be changed to accommodate the bank holidays. We have always managed staffing levels to ensure collections were maintained.

Fly-tipping incidents recorded and actions taken (YTD): The number of fly tipping incidents recorded for Q3 was virtually the same as in the previous year although the number of actions to combat fly

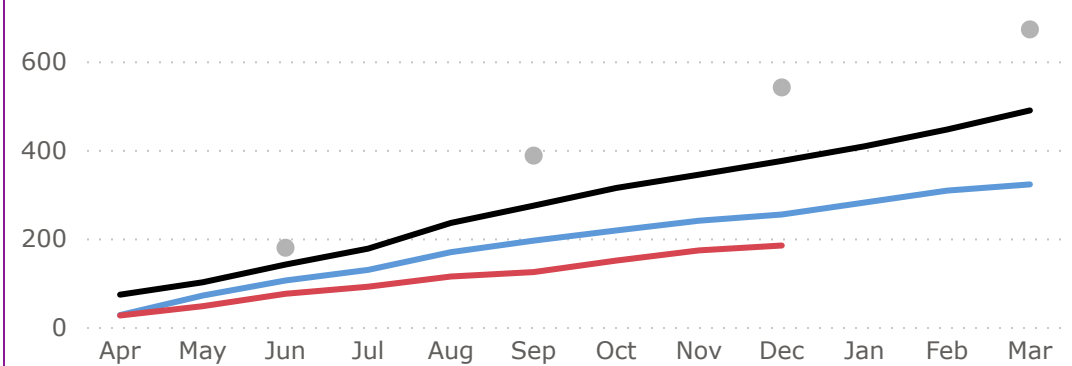
Percentage of household bins successfully collected

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



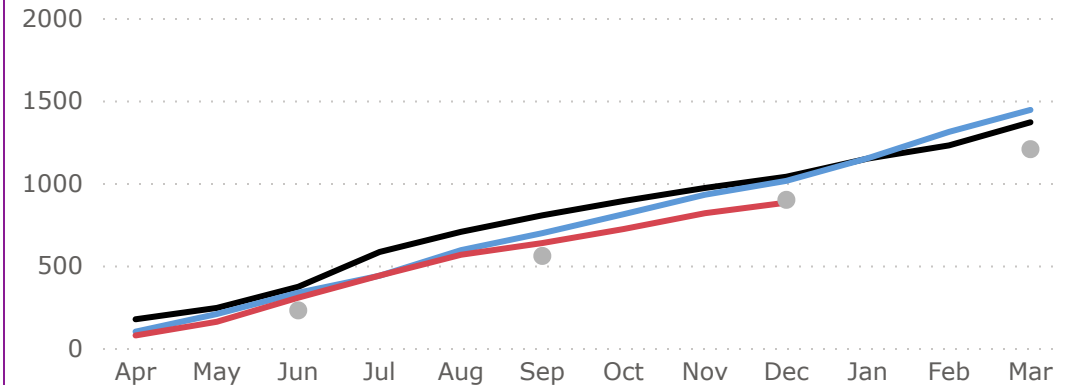
Number of fly tipping incidents recorded (YTD)

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



Number of actions taken to combat fly tipping (YTD)

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



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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	38,010	38,010	0	<p>Net Benefit position in line with budget</p> <p>Overall gross budgets comprises: £25,006,000 rent allowance payments, £726,000 temporary accommodation rent rebates and £169,000 discretionary housing payments, mostly funded by government subsidy and recovery of overpayments.</p> <p>The forecast year end position is a deficit of £190,000 which has been covered by a contribution from the Benefits reserve, and includes: £132,000 rent allowances subsidy shortfall due to average rate to date of 98.03 per cent against a budget of 98.4 per cent. £158,000 temporary accommodation rent rebates subsidy shortfall due to average rate to date of 55.06 per cent compared to a budget of 80 per cent. This is due to the council's current refurbishment programme of its temporary accommodation. The programme is expected to be completed by the new year and as a result the subsidy rate should increase. Therefore, the forecast has been based on a rate of 60 per cent. (£100,000) additional overpayment recovery.</p>
Total Net Benefits (income) or expenditure:	38,010	38,010	0	
Income from Business Rates	(7,078,046)	(6,400,600)	(677,446)	<p>Net overall Business Rate income higher than budgeted</p> <p>The forecast year end position includes: £629,000 section 31 grants (provided by Central Government to compensate for national reliefs awarded such as small business rates relief and retail hospitality relief) lower than budgeted (£529,000) reduced share of Suffolk pool income as a result of lower than budgeted business rates income across Suffolk authorities including West Suffolk (agreed sharing of business rate benefits across Suffolk authorities) (£777,000) reduced levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions).</p>
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(16,828,053)	(16,828,053)	0	<p>Formula Grant income in line with budget</p> <p>Grants received by the council, based on the annual local government finance settlement. These include the following: (£4,693,000) Business Rate Retention scheme income (£815,000) New Homes Bonus grant (£183,000) Services grant (£11,137,000) Council Tax income (net of Parish demand).</p>

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from other grants	(3,761,227)	(3,743,506)	(17,721)	<p>Other grant income slightly higher than budgeted:</p> <p>The Budget and forecast year end position includes the following grants: (£82,000) Department of Works and Pensions Grant (£159,000) COVID-19 outbreak management funding, utilised for public health protection (£34,000) Household Support Fund grant, used for supporting Housing Options initiatives (£678,000) Homelessness Prevention Grant, used to fund Housing Options Services (£469,000) Rough Sleeping Initiative, used for Housing Options Outreach Services (£420,000) Revenue Support Grant, non-specific grant utilised to support the net cost of services (£1,137,000) Funding Guarantee Grant, government funding to ensure that councils will see a 3% increase in their core spending power (£203,000) Rural Services Delivery Grant, additional grant reflecting the rural nature of the council (£245,000) Non-Domestic Rates Cost of Collection Allowance, to contribute towards administering the scheme (£309,000) Council Tax Collection Fund Surplus, arising from council tax collected being more than originally budgeted in previous years estimates (£7,000) Orchestras Live Grant, utilised towards cultural events All of the above are fully committed for utilisation against services during the year.</p>
Total income from external grants, business rates and council tax:	(27,667,326)	(26,972,159)	(695,167)	

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from external contributions and reimbursements	(4,950,292)	(4,708,819)	(241,473)	<p>Overall external contributions income higher than budgeted</p> <p>Income higher than budgeted: (£164,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs (£87,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations (£16,000) increased donations in respect of leisure and cultural sites (Abbey Gardens, The Apex and so on)</p> <p>Income lower than budgeted: £10,000 income from Suffolk County Council. This is due to reduced Net Recycling Performance Payments (RPPs) £25,000. These are based on prices for recycled materials which are traded worldwide, net of the operational costs. Operating costs have increased, and in addition lower material values have contributed to lower net RPP income overall. Also includes £18,000 reduced Tree Maintenance income. £27,000 Planning Section 106 monitoring contributions from developers. These are dependent on number, complexity and timings of planning applications. In previous years the council has been able to fully fund the monitoring function from contributions and prior year balances, however based on current activity levels and future projections it is anticipated that around 40 to 60 per cent will be funded in this way.</p> <p>Plus several other smaller income variances.</p>
Income from Service Level Agreements (SLAs)	(1,046,564)	(1,041,315)	(5,249)	<p>Income slightly higher than budgeted</p> <p>Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies. The small shortfall in income relates to facilities services provided.</p>
Income from ticket sales, commission and memberships	(1,927,907)	(1,932,067)	4,160	<p>Income slightly lower than budgeted</p> <p>Income from tickets sales has recovered well from the effects of the pandemic and is currently forecasted to be higher than budgeted by around (£24,000) for the year. The overall forecast shortfall in income relates mainly to commission on sales.</p>
Income from other Leisure sales	(434,464)	(451,803)	17,339	<p>Income lower than budgeted</p> <p>The forecast shortfall in income mainly relates to room hire at the Apex, based on current levels of demand and the previous year's outturn.</p>

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Planning Fees	(1,579,000)	(1,624,484)	45,484	Income lower than budgeted Year end forecasted income of (£1,605,000) is made up of: (£1,475,000) Planning Application Fees - £25,000 lower than budgeted (1.67 per cent of the budget) (£104,000) Income from Planning Performance Agreements and Pre-application fees - £20,000 lower than budgeted.
Income from Building Regulation Fees	(338,000)	(374,390)	36,390	Income lower than budgeted Whilst income continues to recover, the current slowing down of the housing market due to rising interest rates and other economic factors is affecting the forecast year end position. Hourly rates were reviewed for 2023 to 2024, built into our projections, as are income streams such as the initial planning fees for the Advanced Manufacturing Units at Suffolk Business Park. The service is also reviewing the potential implications of the Building Safety act.
Income from Refuse collection and sales of scrap materials	(4,849,530)	(4,726,624)	(122,906)	Income higher than budgeted Year end forecasted income of (£4,850,000) is made up of: (£1,653,000) Garden Waste Collection - (£55,000) higher than budget (£2,953,000) Trade Waste Collection - (£96,000) higher than budget (£67,000) Bulky Waste Collection (fridges, metal and scrap) - on budget (£119,000) Sales of Scrap Materials collected - (£1,600) higher than budget (£13,000) Replacement Bin fees - £5,000 lower than budget (£44,000) Other fees (including street cleansing and clinical waste) - £26,000 lower than budget
Income from Car Parking	(7,651,027)	(7,341,574)	(309,453)	Income higher than budgeted Since the COVID-19 lockdown restrictions, we have seen reduced numbers in our car parks. Whilst these are gradually recovering, it is still not clear if there are now lower levels of activity in the Bury St Edmunds central car parks due to longer term behavioural change, shorter term impacts from the cost of fuel or lower available disposable income. This will continue to be closely monitored on an ongoing basis; however, it is uncertain how quickly this trend will develop, and how any customer behavioural changes will impact on our income in the short and medium term. This lower income expectation was factored into the 2023 to 2024 budget. The indications for the year so far are that the forecast outturn position will be higher than our budgeted amount for town centre parking (£279,000), and slightly above budget for our leisure sites by around (£30,000).

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Solar Farm and other energy initiatives	(3,995,338)	(3,910,430)	(84,908)	<p>Income higher than budgeted Based on generation to date, income from the Toggam Solar Farm is currently forecast to exceed the budget for this financial year by around (£113,000). The total forecast income for 2023 to 2024 is (£3,333,000). This is based on generation from April to December of 10,175 Mwh against a target of 9,685 mwh.</p> <p>Income from feed-in tariffs is currently forecasted to be lower than the budgeted amount of £664,000 by around £24,000.</p>
Income from Licensing	(490,333)	(451,732)	(38,601)	<p>Income higher than budgeted Licensing income levels are generally showing signs of recovery, with the current forecast year end position showing an increase of around £39,000, primarily from Premises Licences (£30,000) and Environmental Permitting (£9,000).</p>
Income from Markets	(246,000)	(266,700)	20,700	<p>Income lower than budgeted Market income has struggled to recover to pre-pandemic levels.</p> <p>This lower income expectation was factored into the 2023 to 2024 budget, however based on the year to date it is anticipated that market fees will still be lower than anticipated.</p>
Income from other sales	(1,966,954)	(1,984,423)	17,469	<p>Overall income lower than budgeted</p> <p>Income lower than budgeted: £55,000 Battery Energy Storage System (BESS) income, as a result of an increasingly competitive sales market. Options are currently being pursued by the service in order to maximise income going forward. £62,000 forecast shortfall in Land Charges income, based on current levels. This is currently being affected by the slowdown in the housing market, and is in addition to the £70,000 reduction as part of the 2023 to 2024 budget setting process, reflecting the migration of Local Land Charges (LLC1) income to HM Land Registry. £36,000 CCTV income lower than budgeted as a result of review of facilities with partners</p> <p>Income higher than budgeted: (£100,000) Vehicle Workshop income, offset to an extent by increased costs of spare parts and materials (£31,000) Electric Vehicle Charger income plus several smaller positive variances across the services.</p>

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Rentals	(7,151,793)	(7,040,941)	(110,852)	<p>Overall income higher than budgeted</p> <p>Income higher than budgeted: (£142,000) improved income expectations from land, temporary accommodation and other property</p> <p>Income lower than budgeted: Includes forecast shortfall of £50,000 on retail units within the property portfolio, however these costs of initial letting are funded from the Capital Equalisation Reserve. £32,000 reduced expectations for Industrial and Business Unit Rent, pending rent reviews.</p>
Income from investment interest and dividends received	(3,409,167)	(1,465,275)	(1,943,892)	<p>Income higher than budgeted</p> <p>Mainly due to Investment interest, based on higher balances than originally anticipated and improved rates (4.55 per cent against the budgeted 3.25 per cent) due to increases in the Bank of England base rate. Also includes an additional £300,000 over the assumed budgeted dividend from Barley Homes.</p> <p>Currently forecasting that this amount will be transferred to the Capital Financing reserve in anticipation of future interest rate and investment fluctuations.</p>
Total income from Sales, contributions and reimbursements:	(40,036,370)	(37,320,578)	(2,715,792)	
Total income (excluding Benefits):	(67,703,696)	(64,292,737)	(3,410,959)	
Expenditure - total cost of employment	31,626,700	31,274,391	352,309	<p>Employment costs higher than budgeted</p> <p>This heading includes basic pay and associated oncosts such as employers national insurance and pension, plus costs of agency staff, recruitment, training and so on. It also includes an allowance of around 2.5 per cent to allow for vacancies and recruitment timings during the year.</p> <p>The salary budget for 2023 to 2024 allowed for a pay award assumption of 4 per cent. The final award of £1,925 for scale points 1 to 43, and 3.88 per cent from points 44 upward, leads to a cost increase of around £577,000. This is mitigated to an extent by close vacancy management and recruitment, offset with increased anticipated spend on overtime and agency costs within services.</p>
Percentage of total spend	46.9%	49.3%	8.8%	

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Expenditure - premises costs	7,781,016	6,986,829	794,187	<p>Overall spend higher than budgeted</p> <p>Spend higher than budgeted £124,000 Gas higher than budgeted, due to increased unit and standing charges. £325,000 Electricity higher than budgeted. £56,000 Water higher than budgeted. It should be noted that a large proportion of these utility costs are recharged to the council's tenants and partners, as reflected in income from external contributions and reimbursements. £53,000 increased facility services charges £36,000 increased spend on plant and equipment repair and maintenance, including Solar PV cleaning and repairs £58,000 increased Service Charges, including costs for new Car Park Fire Alarm System (£48,000) £60,000 increased Grounds Maintenance costs, including £19,000 gritting and £14,000 additional landscaping costs in respect of Mildenhall Hub (£22,000 of this is recoverable from partners) £66,000 Other premises costs (Council Tax, insurance, and so on).</p>
Percentage of total spend	11.5%	11.0%	19.9%	
Expenditure - transport and related costs	2,020,461	2,012,210	8,251	<p>Overall spend higher than budgeted</p> <p>Spend higher than budgeted: £53,000 spare parts - external, used in order to generate additional vehicle workshop income £63,000 overspend on other vehicle costs, including insurances, vehicle hire, tyres, MOTs, maintenance and so on</p> <p>Spend lower than budgeted: (£108,000) Vehicle fuel, due to the lower overall fuel prices over year so far. Prices will be kept under close scrutiny for the remainder of the year.</p>
Percentage of total spend	3.0%	3.2%	0.2%	

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Expenditure - supplies and services costs	12,010,603	11,257,858	752,745	<p>Spend higher than budgeted</p> <p>£118,000 increase in External Audit fees over budget, resulting from Public Sector Audit Appointments (PSAA) audit scale fee uplift</p> <p>£116,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice</p> <p>£100,000 fees in respect of planning appeals, barrister support and representation</p> <p>£74,000 additional costs for computer maintenance agreements, including cloud migration</p> <p>£87,000 Tools and equipment purchase and hire as a result of inflationary pressures</p> <p>£63,000 Subscriptions and other contributions (including £11,000 additional drainage board precepts) mainly as a result of inflationary pressures)</p> <p>£79,000 general goods and material purchases, resulting from inflationary pressures</p> <p>£20,000 Services for rent and lease renewals advice and marketing, resulting in additional estates income</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	17.8%	17.8%	18.9%	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	3,132,018	2,955,763	176,255	<p>Spend higher than budgeted</p> <p>£31,000 increased costs for Haverhill Waste transfer station, reflecting inflationary pressures</p> <p>£35,000 increased costs for Mildenhall Hub, including postal costs which are recharged to partners</p> <p>£60,000 Off Street Car Parks, additional transaction fees, reflecting increased income assumptions</p> <p>£39,000 increased Security, £16,000 of which relates to Bury Bus Station, and £10,000 Events security at the Apex</p> <p>Plus a number of smaller variances across various services.</p>
Percentage of total spend	4.6%	4.7%	4.4%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,294,200	2,294,200	0	<p>Spend in line with the budget</p> <p>These costs are tied in with our projected borrowing and Minimum Revenue Provision (MRP) requirements during the year.</p>
Percentage of total spend	3.4%	3.6%	0.0%	

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

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	8,542,138	6,642,911	1,899,227	<p>Net overall contributions to reserves higher than budgeted</p> <p>Increased contributions to reserves: £1,944,000 contribution to capital financing reserve in respect of increased investment interest as detailed above, plus additional Barley Homes £300,000 dividend budgeted for 2024 to 2025 £100,000 contribution to Invest to Save Reserve in respect of timings of Hydrotreated Vegetable Oil fuel implementation, for future project utilisation £25,000 Civil Parking Enforcement as a result of increased income</p> <p>Reduced contributions to reserves: (£29,000) lower S106 Monitoring contribution income forecast for the year</p> <p>Increased contributions from reserves: (£14,000) Non-distributed costs, contribution in respect of cost of change (£10,000) Abbey Gardens, donations reserve monies utilised towards special events (£9,000) Nowton Park new parking machine funded from Car Parking Reserve (£101,000) Housing Options funding for increased accommodation and other costs</p>
Percentage of total spend	12.7%	10.5%	47.7%	
Total expenditure (excluding Benefits):	67,407,136	63,424,162	3,982,974	
Net (surplus) or deficit:	(258,550)	(830,565)	572,015	
Transfers to(from) General Fund				
Transfer to General Fund	830,565	830,565	0	Approved contribution to General Fund in respect of 2022 to 2023 budgeted replenishment required
Part utilisation of General Fund	(572,015)	0	(572,015)	Additional contribution from the General Fund reserve to fund net pressures in year. General Fund balance at 31 March 2023 is £5m (agreed policy level)
Final year end variance after funding:	0	0	0	

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Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Resources and Property								
Western Way development	0	112,222	0	0	0	Report to Council (CAB/WS/23/041) in September 2023 approved the cancellation of the scheme. Capitalised costs from the 2022 to 2023 financial year to be reversed and funded from Strategic Priorities & MTFS reserve, along with spend incurred in 2023 to 2024 - total up to £2.4 million as per report.	0	Borrowing
Olding Road Site - Immediate Works	1,000,000	0	0	0	(1,000,000)	Report to Council (CAB/WS/23/041) in September 2023 approved a budget of up to £1 million to cover the cost of any immediate works to the Olding Road site which will add value to the asset and / or reduce holding costs. Will be included as part of the wider Olding Road project.	1,000,000	Borrowing
Abbeycroft Leisure loan	500,000	0	0	0	(500,000)	Original loan facility agreed of £1m. Initial loan drawdown of £250,000 was made in July 2022. Second £250,000 was drawn down in March 2023. Unlikely to see further drawdowns this year.	500,000	Borrowing
Smartpay Set Up Costs	2,588	6,088	0	6,088	3,500	Upgrade to cash receipting system. Project now complete.	2,588	Revenues Reserves
Mildenhall Hub	100,000	(459,591)	0	100,000	0	Building is open and operational. Final account has been agreed and recharges made to partners. We are still working to the original delegation of cost neutral scheme at year 5 as per Overview and & Scrutiny committee report OS/WS/23/003. Budget relates to final elements of the original capital investment.	100,000	Borrowing
Asset Management Plan - Property								
Property Asset Management Plan.	0	0	0	0	0	Planned works programme. Funds moved into the appropriate projects when scoped. Funds now fully allocated for the current financial year.	3,979,500	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Net Zero Plan - Asset Management Investment	933,957	167,028	0	933,957	0	Investment in the council's properties and vehicles in respect of energy saving and generation initiatives. Year 2 of the 4 year project. We are working towards a 2 per cent return towards council services across asset management and Electric Vehicle (EV) Fleet investment as well as extension of the solar for business scheme in the project below. This includes projects like installing solar panels, heat pumps as well as improving insulation, lighting, and roofs on our own properties to make them more energy efficient.	2,433,957	Borrowing
Parkway Multi-storey Car Park, Bury St Edmunds - structural works	691,375	390,860	0	691,375	0	Part of planned works programme. Works completed July 2023.	691,375	Revenue Reserves
West Stow Visitors Centre - roof renewal	13,875	10,785	0	13,875	0	Part of planned asset management works programme. Project is now complete but awaiting final invoices and retention sum. £3,580 retention to be paid, then complete	13,875	Revenue Reserves
Athenaeum - south store building roof renewal	75,000	6,938	0	75,000	0	Part of planned asset management works programme. Planning was approved early June, expected to start on site January 2024. Completion expected March 2024.	75,000	Revenue Reserves
Units 2&3 Highbury Road Brandon	81,981	(10,321)	0	0	(81,981)	Part of planned asset management works programme prior to re-let. Project now complete but awaiting final invoices.	81,981	Revenue Reserves
Provincial House, Haverhill, urgent repair works & Phase 1 of Landlord Alterations	953,407	851,870	0	1,006,169	52,762	Landlord works to be funded primarily from the lease surrender premium held by the council.	953,407	Revenue Reserves
Provincial House - Phase 2 Landlord alterations	900,000	142,307		800,000	(100,000)	Part of planned asset management works programme prior to re-let. Carry forward £100k as expected to be completed next financial year.	900,000	Revenue Reserves
West Stow Country Park - sewage treatment plant	50,000	0		0	(50,000)	Project no longer going ahead.	50,000	Revenue Reserves
West Front and St Mary's Churchyard, Bury St Edmunds - Samson's Tower roofing works	48,980	48,980	0	50,980	2,000	Part of planned asset management works programme. Project is now complete but awaiting final invoices and retention sum.	48,980	Revenue Reserves
The Guineas Public Toilets, Newmarket - Refurbishment	340,000	313,301	0	340,000	0	Part of planned asset management works programme.	340,000	Revenue Reserves
Abbey Gardens Toilets, Bury St Edmunds	160,000	0	0	0	(160,000)	Part of planned asset management works programme. Project currently on hold, works expected to start January 2025. Will request project carry forward at the year end.	160,000	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Recreation Ground Toilets, Haverhill - Roof Renewal	30,000	0	0	30,000	0	Part of planned asset management works programme. Project not yet started.	30,000	Revenue Reserves
11 Hollands Road, Haverhill - Roof renewal and refurbishment	160,000	156,960		160,000	0	Part of planned asset management works programme prior to re-let.	160,000	Revenue Reserves
The Lodge, Brandon Country Park refurbishment	140,000	154,376		157,484	17,484	Part of planned asset management works programme prior to re-let. Mostly complete, but waiting for electricity connection.	140,000	Revenue Reserves
80 Valley Way, Newmarket - internal refurbishment	36,751	36,751		36,751	0	Part of planned asset management works programme. Project now complete.	36,751	Revenue Reserves
Electric Vehicle (EV) Charging - Olding Road Car Park	32,960	32,960		32,960	0	Project now complete.	32,960	Revenue Reserves
57 Eastern Way, Bury St Edmunds - refurbishment	200,000	0		0	(200,000)	Works likely to commence in the next financial year.	200,000	Revenue Reserves
Families and Communities								
Customer Access project	71,658	0	0	71,658	0	This is for the next phase of CCP and then Granicus. The customer contact centre is due to be upgraded in early August.	71,658	Capital Receipts
Abbotts House - Refurbishment	450,000	435,558		450,000	0	Refurbishment funded from a combination of housing funds, net zero funds and building maintenance funds.	450,000	Borrowing/ Revenue Reserves
Cobblers Court	341,500	273,039		341,500	0	Will be used for temporary accommodation. Purchase cost of £255,000 with additional costs for some renovation work including converting a downstairs office into an additional room.	341,500	Capital Receipts/Borrowing
Local Authority Housing Fund	1,263,620	944,270		1,263,620	0	To be used for temporary accommodation. Funded from the Local Authority Housing Fund (LAHF)	341,150	Grant/Borrowing

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Car parking improvements: Car park in Clare (subject to business case)	100,000	1,340	0	1,340	(98,660)	Improvements being funded from the Car Park Reserve. Currently at the feasibility stage, and working towards the full business case.	100,000	Revenue Reserves
Car parking improvements: Supply and refurbishment of CCTV cameras at Parkway Multi-Storey Car Park	28,431	28,431	0	28,431	0	Improvements being funded from the Car Park Reserve.	28,431	
Car parking improvements: Parkway Multi-Storey Car Park, Bury St Edmunds - resurfacing	70,000	71,701	0	71,701	1,701	Improvements being funded from the Car Park Reserve.	70,000	
Vehicle and plant purchases	1,367,598	586,251	0	1,367,598	0	In line with the vehicle replacement programme.	5,271,398	Revenue Reserves
Net Zero Plan - Electric Vehicle fleet investment	538,322	0	0	538,322	0	Funds the additional cost of replacing vehicles with electric versions	1,048,322	Revenue Reserves
Audio-Visual Equipment, West Suffolk House	169,682	169,682	64,366	169,682	0	Audio Visual Equipment installed in the West Suffolk House Conference Room to enable hybrid meetings. Partially funded by Suffolk County Council.	169,682	Contributions/ Revenue Reserves
Vehicle Wash Down Area at West Suffolk Operational Hub (WSOH)	100,000	1,870		100,000	0	To create an alternative lorry wash down area at WSOH for smaller vehicles and plant. Funded from the original WSOH budget.	100,000	Borrowing
Community Sports Facility - Moreton Hall, Bury St Edmunds	1,552,500	0	0	1,552,500	0	The project partners are finalising the legal details. The project relates to the Skyliner project completed in 2016 to 2017	1,552,500	Capital Receipts
Asset Management Plan - Leisure								
Leisure Asset Management Plan	0	0	0	0	0	Projects are allocated when identified during the year, including ongoing review of leisure projects to ensure reserve is not over utilised.	900,000	
Babwell Meadows Landscaping	28,074	0	0	0	(28,074)	Project under review. Now expecting this to commence in the next financial year.	28,074	Revenue Reserves
Hardwick Heath, Football pitch relocation and play area renewal	3,580	4,390	0	3,580	0	Project completed.	3,580	
Mildenhall Hub - Creation of a Pump Track	130,000	124,217	0	130,000	0	Work has commenced and will be completed by the end of the calendar year.	130,000	Revenue Reserves

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
Abbey Gardens Yard - Removal of Asbestos and other H&S Issues	38,134	38,134	0	38,134	0	Project complete.	38,134	
St Johns Close Recreation Ground, Mildenhall - renewal of MUGA	60,000	49,026	0	60,000	0	Works expected to be completed in November 2023.	60,000	Revenue Reserves
West Stow - Car Park refurbishment	143,000	(30)		0	(143,000)	Initial preparatory works completed in 2022 to 2023 (£7,000), remainder of project now likely to be completed next financial year.	143,000	
Flying Fortress - Water Fountain	6,593	6,593		6,593	0	Project currently being reviewed. Unlikely to continue this financial year.	6,593	Grant Funded
Abbey Gardens - new items of play equipment	15,000	9,036	5,964	9,036	0	Project should be completed this financial year.	15,000	S106 Funded
Henry Close, Haverhill - Play area renewal (£59k) part S106 funded	41,894	19,731		19,731	(22,163)	Contract has been awarded to contractor. Work commenced in October 2023, expected to be completed in the current financial year.	41,894	Revenue Reserves
St James Park, BSE - Play area renewal (£60k) part S106 funded	70,590	70,590	10,303	70,590	0	Project completed.	70,590	Revenue Reserves
Peterhouse Close, Mildenhall, Play area renewal (£60k)	60,582	60,582		60,582	0	Project completed.	60,582	Revenue Reserves
Granby Street, Newmarket - Play area renewal (£35k) part S106 funded	33,465	33,465		33,465	0	Project completed.	33,465	Revenue Reserves
Gainsborough Recreation Ground, BSE - Replacement play equipment (£30k)	31,611	31,611		31,611	0	Project completed.	31,611	Revenue Reserves
Planning and Growth								
Traveller Sites	6,970	84,338	0	84,224	77,254	Project relates to works to enable a site in Bury St Edmunds, funded in part by external grant.	6,970	Grant Funded
Barley Homes.	6,700,000	590,755	0	1,500,000	(5,200,000)	Work continues to progress on future pipeline sites. Depending on timing of potential land purchases the spend on this could be higher.	12,950,000	Capital Receipts
High Street, Haverhill - improvements	693,000	0	0	0	(693,000)	External grant funded. Fund to be reviewed.	693,000	Grant Funded
Investing in our Growth Agenda	16,266,147	(34,395)	0	500,000	(15,766,147)	Fund to be used for investments identified that ensure a balanced blend of return which provide wider strategic, place-shaping, social and economic benefits. Carry forward relates to agreed project timings and uncommitted balance.	19,266,147	Borrowing

Description	Revised Budget for Year £	Actual Spend Year to date £	Funded Externally £	Forecast Spend for Year £	Over/(under) Spend For Year £	Notes	Total Project Budget 2023 to 2027 £	Project Funding
17 to 18 Cornhill, Bury St Edmunds - renovation	10,792	(67,834)	0	10,792	0	Works commenced in September 2020. Completion occurred in March 2023, with first flat sales at the end of March 2023. Final account process in progress.	10,792	Borrowing
Haverhill Research Park - loan facility	586,818	0	0	0	(586,818)	Epicentre building that loan was being used to fund is complete - only potential further call on facility is capitalisation of interest. Value of loan drawdown is £2,913,182, from a total loan facility of £3.500,000.	586,818	Borrowing
Suffolk Business Park - Incubation Units	4,598,716	254,723	0	500,000	(4,098,716)	Report to Cabinet and Council (CAB/WS/21/052) - currently working through design stages.	12,100,000	Borrowing
Totals:	48,586,208	8,840,662	128,732	19,687,427	(28,892,817)		80,908,322	

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Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Strategic reserves.							
Strategic Priorities and Medium Term Financial Strategy (MTFS) reserve.	5,316,430	(2,726,751)	2,589,679	(2,726,751)	2,589,679	0	<p>This reserve is primarily comprised of monies received in respect of the New Homes Bonus grant (and associated element of the Funding Guarantee funding) , set aside as agreed to support the delivery of the council's priorities and medium term financial strategy. The grant(s) for 2023 to 2024 totalling £1,756,000 has been contributed to this reserve in full.</p> <p>The year end balance is forecast to be on budget, and includes the following contributions from the reserve: (£1,000,000) Decarbonisation Initiatives Fund (Capital) (£548,000) Community Chest and Locality Budget funding (£2,400,000) Western Way Development, costs associated with project review (£125,000) Funding for project feasibility (£300,000) Funding for integrated health and leisure pathways, monies from external partner having been contributed to this reserve (£109,000) Lifelink Project funding, monies from external bodies and the Business Rates Pilot having been previously contributed to this reserve</p>

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Investing in our Growth Agenda reserve.	691,304	(123,850)	567,454	(166,403)	524,901	(42,553)	<p>This reserve was set up in order to support the delivery of the council's growth agenda, current utilisation is primarily for staffing cost.</p> <p>The year end balance is lower than budgeted as a result of funding flat sale legal costs for 17/18 Cornhill, former Post Office development.</p>
Business Rates Retention Pilot: place-based reserve.	1,633,053	(90,512)	1,542,541	(90,512)	1,542,541	0	<p>This reserve was set up to hold the benefit from the Suffolk 100 per cent business rate retention pilot in 2018 to 2019. To be utilised against projects as agreed by the district and county leaders in West Suffolk. This reserve is largely committed across the medium term financial strategy.</p> <p>Utilisation of this reserve during the year is forecast to be on budget, and is in respect of: (£91,000) Lifelink project, representing the remaining funds from the original (£500,000) allocated to this project from Pilot monies</p>

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Financial planning reserves.							
Invest to save reserve.	4,619,262	367,074	4,986,336	380,804	5,000,066	13,730	The year end balance is lower than budgeted due to: (£55,000) funding for transformational review staffing costs (£50,000) funding for cost of change £100,000 additional contribution to this reserve in respect of Hydrotreated Vegetable Oil (HVO) fuel implementation timings, for future utilisation
Business Rates Retention equalisation reserve.	7,714,967	(300,504)	7,414,463	(300,504)	7,414,463	0	This reserve is intended to neutralise the impact of any fluctuations in growth or reductions in Business Rates income under the Business Rates Retention Scheme, primarily relating to statutory timing differences and appeal costs. The year end balance is forecast to be on budget.
Housing Benefits equalisation reserve.	581,921	0	581,921	(184,525)	397,396	(184,525)	This reserve is utilised in order to smooth out the effect of variations between the amounts of Housing Benefits paid out and subsequently grant funded by Department of Works and Pensions (DWP).

Earmarked reserves year end outturn position - December 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Capital project financing reserve.	6,548,067	0	6,548,067	2,961,686	9,509,753	2,961,686	<p>This Reserve was set up in order to facilitate the capital financing requirements of the council, and to account for fluctuations and timing differences in the expected spend profile and interest rates. Fund will be utilised in the medium to longer term towards the increased cost of borrowing.</p> <p>The increased balance at the year end is due to higher contributions relating to savings in interest payable budgets in year whilst the council's treasury management approach utilises internal funds, offset slightly by contributions to cover the risks associated with some key strategic projects such as the timing of rental income from the former post office development in Bury St Edmunds.</p>
Self insured reserve.	363,175	0	363,175	13,427	376,602	13,427	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election reserve.	306,506	(140,000)	166,506	(62,528)	243,978	77,472	Monies set aside each year in order to fund the local elections when required. Additional monies received in-year for New Burdens Funding.
Planning reserve.	306,413	23,627	330,040	(99,804)	206,609	(123,431)	Monies set aside in order to fund the Local Plan and other planning-related expenditure.

Earmarked reserves year end outturn position - December 2023

Appendix D

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Service delivery reserves.							
Computer and telephone equipment reserve.	89,354	0	89,354	0	89,354	0	Monies set aside for major ICT hardware refreshes and software purchases and upgrades.
Office equipment reserve.	321,373	(51,316)	270,057	(51,316)	270,057	0	Monies set aside to purchase significant replacement items of office equipment.
Anglia Revenues Partnership reserve.	748,813	4,616	753,429	(22,729)	726,084	(27,345)	Government grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage. Year end balance is forecasted to be lower than budgeted as a result of funding the forecast ARP deficit for 2023 to 2024.
Vehicle, plant and equipment reserve.	1,195,210	1,001,878	2,197,088	1,030,228	2,225,438	28,350	This reserve is utilised to fund the council's vehicle replacement programme. Year end balance forecast higher than budget due to additional transfer from the Trade Waste Service, relating to an external contribution for skip replacement.
Waste management reserve.	172,242	(34,850)	137,392	(35,514)	136,728	(664)	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including wheeled bins and associated equipment. The year end forecast is currently in line with the budget.

Earmarked reserves year end outturn position - December 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Building repairs reserve property.	5,163,006	(1,557,333)	3,605,673	(530,866)	4,632,140	1,026,467	Higher closing balance than budgeted, mainly as a result of timings of capital spend (see also Appendix C).
Industrial unit service charge reserve.	113,977	0	113,977	6,500	120,477	6,500	This reserve holds monies received in respect of service charges which are intended to be utilised on specific industrial estate works.
Car Park development reserve	943,083	(742,130)	200,953	(179,516)	763,567	562,614	This reserve holds monies set aside from parking income which are intended to be utilised on car park improvements and developments. The year end balance is higher than budgeted due to timings on Off-Street parking initiatives (see also appendix C).
Industrial rent reserve.	591,724	(253,407)	338,317	(323,575)	268,149	(70,168)	Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill, plus Provincial House, Haverhill works. The current year end position is forecast to be lower than budgeted as a result of funding Provincial House holding costs.
Building repairs reserve leisure.	260,761	(187,627)	73,134	(135,389)	125,372	52,238	This reserve is utilised in order to fund the Leisure Capital programme. Higher year end balance than budgeted due to project timings (see also appendix C).

Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Abbey Gardens donation reserve.	38,766	0	38,766	(9,750)	29,016	(9,750)	Monies held for the improvement of the Abbey Gardens, Bury St Edmunds. Monies utilised in the year towards special events at the Abbey Gardens.
Newmarket Stallion statue reserve.	20,809	0	20,809	0	20,809	0	Monies held for the maintenance and repair of the Newmarket Stallion statue.
Housing Options reserve.	2,145,071	(485,976)	1,659,095	(243,331)	1,901,740	242,645	This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options team and associated expenditure. Year end balance higher than budgeted due to lower utilisation within the service than anticipated due to staff vacancies and lower spend than anticipated.
Section 106 reserves.							
Commuted maintenance reserve.	1,360,138	(82,930)	1,277,208	(63,746)	1,296,392	19,184	Monies received from developers in order to maintain additional play areas and public open space adopted.
Public Service Village reserve.	79,699	(32,960)	46,739	(37,253)	42,446	(4,293)	Section 106 monies to be utilised to fund the council's Green Travel scheme and associated initiatives. Utilisation during the year relates to provision of Electric Vehicle (EV) Chargers.
Section 106 monitoring officer reserve.	6,543	(8,084)	(1,541)	(6,543)	0	1,541	This reserve is utilised in order to fund the Section 106 Monitoring Officer post.

Earmarked reserves year end outturn position - December 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Section 106 revenue reserve.	80,287	0	80,287	0	80,287	0	Monies held in respect of revenue Section 106 contributions received. No movement in the year.
Other reserves.							
Gershom Parkington reserve.	585,892	2,258	588,150	3,042	588,934	784	Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.
Reserves totals:	41,997,846	(5,418,777)	36,579,069	(874,868)	41,122,978	4,543,909	

West Suffolk Strategic Risk Register 2023/24 - December 2023

Type: A = Action, C = Control

RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Ongoing or Time Limited?	WS Residual Risk
WS1	10-Jul-14	Financial Strategy	Director & Portfolio Holders-Resources and Property	Financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		C	1) Monthly monitoring reports (revenue and capital) to budget holders and Leadership Team. Quarterly revenue and capital monitoring reports to PASC.	Director - Resources & Property	Ongoing	
							C	2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Director - Resources & Property	Ongoing	
							C	3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	Ongoing	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	Ongoing	
							A	5) Ongoing financial system upgrade/development in order to take advantage of latest budget planning / monitoring functionality.	LT	Ongoing	
							A	6) Continue to review and strengthen the overall Performance Management Framework. E.g. KPI's, PDRs, (also see WS18),Risk management, Project monitoring, Financial Reporting.	LT	Ongoing	
							C	7) Regular updates of projects, assessment of any additional risks associated with new projects.	LT	Ongoing	
							C	8) Monitoring of investment decisions and original business cases targets/outcomes through Business Partner Model. Will also seek external advice when relevant.	Director - Resources & Property	Ongoing	
							C	9) Longer term financial planning across MTFS. To include implications of Fair Funding review.	Director - Resources & Property	Ongoing	
							A	10) Utilise Suffolk wide Business Rates monitoring and forecasting tool to assist with control #2 above. Input from Economic Development included to improve accuracy.	Director - Resources & Property	Ongoing	
WS2	10-Jul-14	Financial Strategy	Director & Portfolio Holders-Resources and Property	Financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		A	1) Annual Budget preparation focus on MTFS and key uncertainties including Fair Funding Review, New Homes Bonus Business Rate Retention.Delivery on six MTFS themes.	LT	Ongoing	
							C	2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	Ongoing	
							C	3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Director - Resources and Property	Ongoing	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	Ongoing	
							C	5) Monitor Government statements on future of local government funding and lobby as necessary.	LT	Ongoing	
							C	6) New investment proposals to be considered through the Councils governance and decision making process including challenge by Business Partners.	LT	Ongoing	
							C	7) Use of data and intelligence in forecasting future scenarios.	LT	Ongoing	
							A	8) Utilise Suffolk wide Business Rates monitoring and forecasting to assist with forecasting and financial planning across the MTFS.	Director - Resources and Property	Ongoing	
							A	9) Analysis of the official Review Reports for all local authorities that have issued s114 notices (Croydon, Thurrock and Woking with Birmingham to come) to take on board all lessons learned.	Senior Management Team	Ongoing	

West Suffolk Strategic Risk Register 2023/24 - December 2023

Type: A = Action, C = Control

RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Ongoing or Time Limited?	WS Residual Risk
WS3	10-Jul-14	Reputational	Chief Executive	Maintain and promote our public image, maintain effective communications	Lack of public trust and confidence in the council leads to a poor reputation. The council needs to champion its area and be a trusted part of the community. It is vital therefore in making sure people access services, which often means the handling of sensitive information, that the council has a strong reputation. This is also the case in working with communities to deliver growth or large projects as well as in times of crisis, when the council must be a trusted source of information. Therefore the council needs a good reputation to enter positive partnerships with others, or secure funding. This could also potentially impact on our ability to recruit staff in competitive market.		C	1) Monitor and measure media coverage through daily media alerts and, where appropriate, provide a robust response.	Service Manager (Strategic Communications)	Ongoing	
							C	2) Public stakeholders and partners have a range of channels including news and social media to disseminate information about West Suffolk services and strategic priorities and address errors or misrepresentation.	Service Manager (Strategic Communications)	Ongoing	
							C	3) Close liaison with local and national partners on coordinated communications on multi-agency issues.	Service Manager (Strategic Communications)	Ongoing	
							C	4) Train and support staff and Members in proactive communications, liaising with the media and using social media platforms.	Service Manager (Strategic Communications)	Ongoing	
							C	5) Deliver strategic communications plan and work with them to engage appropriately with communities to encourage channel shift.	Service Manager (Strategic Communications)	Ongoing	
							A	6) Ensure that appropriate communications planning and support are identified for strategic projects as per individual project plans	Service Manager (Strategic Communications)	Ongoing	
							C	7) Carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter.	Service Manager (Corporate Policy)	Ongoing	
WS4	10-Jul-14	Reputational	Director & Portfolio Holders- Families & Communities	Adopt technological advances in managing the customer journey	Service delivery methods do not meet customer needs or expectations with potential to damage the council's reputation; customer expectations need to be understood and managed; council not appreciating and/or delivering methods of contact and response time which are expected by customers.		C	1) Continue to develop new web presence with full digital by default capability. Ensure that staff, councillors and external support/advisory services are aware of the councils' digital offer and benefits for use.	Director - Families & Communities	Ongoing	
							A	2) Working in the wider Suffolk system to enhance the customer experience.	Director - Families & Communities	Ongoing	
							C	3) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels. Ensure the customer journey delivers the Councils strategies, policies and procedures.	Service Manager (Strategic Communications) and Service Manager (Customer & Digital)	Ongoing	
							A	4) Continue to explore technological options to support customer service delivery.	All Service Managers	Ongoing	
WS5	10-Jan-24	People	Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Staff Recruitment	Ineffective recruitment strategies which impact in particular on hard to fill posts and lack of skilled individuals applying for skilled roles which could impact on delivery of services and high levels of performance.		A	1) Horizon scanning to anticipate changes and trends to establishment	Service Manager (HR, H&S and L&D)	Ongoing	
							C	2) Keeping up to date on national trends for hard to recruit roles.	Service Manager (HR, H&S and L&D)	Ongoing	
							A	3) Workforce planning meetings review data linked to turnover and progress around recruitment plans on a monthly basis and consider any mitigating action that may be required to support services, such as redeployment. HR team exploring ways to review, streamline and	Service Manager (HR, H&S and L&D)	Ongoing	
							A	4) Continue to implement apprenticeships and career pathways, graduate trainees and support the intern programme.	Director - HR, Governance and Regulatory	Ongoing	
							C	5) Salary benchmarking undertaken to ensure salaries are competitive. Maintain focus on strong employer brand.	Director - HR, Governance and Regulatory	Ongoing	

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WS6	10-Jan-24	People	Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Staff engagement across the organisation including trust, morale, health and wellbeing.	Lack of engaged, motivated and appropriately skilled staff could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workloads and work-life balance could reduce the ability of the organisation to deliver effectively for communities.		A	1) Workforce strategy in place, focussing on promoting a flexible and agile workforce, supporting health and well-being, integrating diversity and inclusion and developing talent management linked to performance management.	Service Manager (HR, H&S and L&D)	Ongoing	
							C	2) Leadership development programme for band 7/8 staff in place.	Service Manager (HR, H&S and L&D)	Ongoing	
							A	3) Regularly evaluate outcome of Performance Reviews to identify talent management to inform succession planning. PDR scheme focuses on performance, pay progression and career progression.	Service Manager (HR, H&S and L&D)	Ongoing	
							A	4) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel and Joint Negotiation Meeting for feedback review and collective consideration of any actions required.	Director - HR, Governance and Regulatory	Ongoing	
							C	5) Staff surveys undertaken at periodic timeframes to review and monitor staff feedback.	Director - HR, Governance and Regulatory	Ongoing	
							A	6) Review of learning and development programme has been undertaken with an associated action plan in place.	Director - HR, Governance and Regulatory	Ongoing	
							C	7) Well-being programme in place, supported by a network of champions, with well-being initiatives regularly launched and communicated to staff.	Director - HR, Governance and Regulatory	Ongoing	
							C	8) Established a range of support networks – including the Managers peer network and youth network groups and regular organisational engagement sessions facilitated by a life coach.	Director - HR, Governance and Regulatory	Ongoing	
							C	9) Annual staff awards process in place.	Director - HR, Governance and Regulatory	Ongoing	
							C	10) Staff briefings and blogs led by CEO.	Director - HR, Governance and Regulatory	Ongoing	
							C	11) Corporate induction process in place for all employees.	Director - HR, Governance and Regulatory	Ongoing	
							C	12) Employee benefit programme in place, including EAP.	Director - HR, Governance and Regulatory	Ongoing	
WS7	10-Jul-14	Project/ Programme	Service Manager (Corporate Policy) / All Directors & Portfolio Holders	Project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		A	1) Maintain and develop an efficient programme and project management framework understanding timetabling and interdependencies between projects and programmes (led by Service Manager Corporate Policy).	Service Manager Corporate Policy	Ongoing	
							A	2) Maintain oversight of corporate project matrix at Leadership Team, to manage demands on services and resource appropriately.	Service Manager Corporate Policy	Ongoing	
							A	3) Training and support to staff involved in corporate projects including key project management skills.	L&D team/Service Manager Corporate Policy	Ongoing	
							C	4) Project support and resources to be included in future Project Initiation Documents and project business cases, including support services such as: ICT, Finance, Legal and Property	LT and All Service Managers	Ongoing	
							C	5) Early identification of Corporate capacity / priorities as part of business plan / project initiation. Review of programmes to assist with prioritisation.	LT	Ongoing	
							C	6) Carry out Project Close Out Reports, Project Assurance, Benefit Realisation reviews and Project Health Checks as appropriate.	LT and All Service Managers	Ongoing	
WS8	10-Jul-14	Technology	Director & Portfolio Holders- Families & Communities	ICT Development	Development of ICT across services and systems not being delivered. Failure to keep Business Applications current.		A	1) Management of ICT infrastructure, software, systems and applications through the ICT Programme Board	Director - Families & Communities	Ongoing	
							A	2) Continued management and development of infrastructure, software, systems and applications enabling alignment and integration as appropriate including remote working.	Service Manager (Customer & Digital)	Ongoing	
							C	3) Regular review of software, systems and applications for strategic fit and resources/skills capacity through ICT Programme Board.	Service Manager (Customer & Digital)	Ongoing	
							A	4) Develop the council's digital framework to ensure there are links to wider integration between systems and services.	Service Manager (Customer & Digital)	Ongoing	

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WS9	10-Jul-14 (a)	Strategy	Director & Portfolio Holders- Families & Communities	Deliver; Thriving Communities	Opportunities being missed to create or influence: <ul style="list-style-type: none"> • provision of appropriate services, benefits and support for West Suffolk residents. • ability to improve their physical and mental health and wellbeing through sport, physical and cultural activities, as well as access to health services. In particular, protect and develop parks and open spaces for the benefit of both residents and visitors. • Work with partners to prevent and reduce crime and antisocial behaviour in the district. 		A	Continued consideration of community chest and approach to grant funding.	Director (Families and Communities)	Ongoing	
							C	2) Families and Communities Officers continue to work closely with Councillors on a variety of projects and initiatives.	Service Manager (Families & Communities)	Ongoing	
							A	3) Community Chest funds are subject to quarterly monitoring and reported to Grant Working Party. Locality Budgets are allocated by Councillors but supported by Families and Communities Officers. Portfolio Holder and F&C officers continue to remind Cllrs to allocate funding before financial year end.	Service Manager (Families & Communities)	Ongoing	
							A	4) Families and Communities monitor and evaluate the impact of initiatives/projects in localities. Including qualitative (in the form of case studies) and quantitative information.	Service Manager (Families & Communities)	Ongoing	
							A	5) Extensive ongoing partnership work, including County Lines, homelessness and refugees. West Suffolk Council is a partner in the West Suffolk Alliance which includes health and care partners.	Director (Families and Communities)	Ongoing	
	(b)	Director & Portfolio Holders - Growth	Deliver; Sustainable Growth	Opportunities being missed to create or influence: <ul style="list-style-type: none"> • Support for new and existing businesses to grow. • Work to ensure West Suffolk is an attractive place for businesses, in order to ensure growth is supported by employment. • support for West Suffolk's local high streets and markets as the vibrant centres of thriving local communities • development of infrastructure that supports growth. 		C	1) Work with partners who provide support and grant funding for new and growing businesses and promote opportunities on social media and through our networks.	Director - Planning and Growth	Ongoing		
						C	2) Allocate sufficient employment land in the Local Plan to meet need.	Director - Planning and Growth	Ongoing		
						C	3) Work with partners on initiatives and events to support our high streets and include policies in our local plan which protect and enhance	Director - Planning and Growth	Ongoing		
						C	4) Work with partners who are responsible for delivering infrastructure which supports Growth such as Suffolk County Council and Transport East	Director - Planning and Growth	Ongoing		
						C	5) Work with Suffolk County Council to support the transition for the changes required by government to NALEP.	Director - Planning and Growth	Ongoing		
						A	6) Preparation and delivery of West Suffolk Local Plan.	Director - Planning and Growth	Ongoing		
						A	7) Support partners delivery of business startup activities at existing start up premises, deliver capital project for Advanced Manufacturing and Engineering at the Suffolk Business Park.	Director - Planning and Growth	Ongoing		

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Page 153	(c)		Director & Portfolio Holders - Growth, Families & Communities and Planning.	Deliver; Affordable, available and decent homes	Opportunities being missed to create or influence the provision of: <ul style="list-style-type: none"> planning powers to significantly increase the supply of affordable housing in West Suffolk, particularly for social rent, and explore other options for increasing provision. options to address the specific market conditions in West Suffolk that make it challenging for local people to afford to buy or rent. the council's planning, regulatory and other powers to ensure all housing is of good quality and sustainably built and has minimal environmental impacts, including noise. Work with communities to ensure all housing is supported by the right infrastructure 		C	1) Review West Suffolk Housing Strategy. Preparation of Implementation Plan and delivery.	Director - Planning and Growth	Ongoing	
							C	2) West Suffolk Choice Based Lettings Scheme regularly reviewed to reflect changes in legislation. Operation of scheme monitored through Choice Based Letting Management Board.	Service Manager (Housing Options)	Ongoing	
							A	3) Ensure effectiveness of West Suffolk Lettings Partnership to ensure that the package of support provided meets the needs of the landlords and local housing market, particularly in light of Universal Credit and cost of living challenges.	Service Manager (Housing Options)	Ongoing	
							A	4) Disabled Facilities Grants process and ILS reviewed with partners in order to introduce a more comprehensive service, maximising the opportunities to support vulnerable residents in their homes.	Service Manager (Regulatory)	Ongoing	
							A	5) Proceed with business plan and report on progress for Barley Homes (Group) Ltd to build open market, private rented and affordable housing.	Director - Planning and Growth	Ongoing	
							A	7) Preparation and delivery of West Suffolk Local Plan - Housing policies.	Director - Planning and Growth	Ongoing	
							A	8) Monitor and actively promote high standards in the private rented sector and take appropriate action where standards are not being met, to tackle disrepair, poor housing conditions and criminal landlords.	Service Manager (Regulatory)	Ongoing	
							A	9) Ensure all HMOs are licensed and inspected according to necessary timeframes and pursue landlords of unlicensed houses in multiple occupation	Service Manager (Regulatory)	Ongoing	
							(d)		Strategic Directors	Deliver; Environmental resilience	
	C	2) Review and report on environmental activity through the Council's Environmental Management group, the Environment and Sustainability Reference Group and Cabinet.	Strategic Director	Ongoing							
	A	3) Work as part of the Suffolk Climate Change Partnership and Suffolk Climate Change Moard to jointly deliver projects identified through the Suffolk Climate Emergency Plan to reduce carbon emissions.	Strategic Director	Ongoing							
	A	4) Through the Town and Parish Forum support local communities to consider their responses to the National Adaption Duty.	Strategic Director	Ongoing							
	A	5) The emerging Local Plan includes a policy which seeks to address climate change through sustainable design and construction with a fabric first approach to achieve carbon standards for all new homes.	Strategic Director	Ongoing							
	WS10	10-Jul-14	Strategy Governance	Chief Executive / Directors & Portfolio Holders	Adapt to new public sector models, explore opportunities with partners	The council fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration; or fails to take account of wider changes in national and local legislations, policy and structure proposals.		C	1) Keep a watching brief on, and disseminate information on new policies (i.e. the Environment Bill, Resource & Waste Strategy), funding models and opportunities through DLUHC, RSN, LGA, EELGA etc.	LT	Ongoing
C								2) Maintain good relationships with public sector partners, e.g. ICB, SPSL, ARP authorities, etc to hear of, and take opportunities arising from opportunities for partnership working.	Chief Executive and Directors	Ongoing	
C								3) Robust business cases for identified opportunities.	LT	Ongoing	
C								4) Keeping a watching brief on the new/changing National policies with Suffolk colleagues, including local government funding changes, county deal working and changes to healthcare governance and proposed structural changes for local government in Suffolk and the wider East Anglia area.	Chief Executive and Directors	Ongoing	
A								5) Lead the integration and rationalisation of the public estate through membership, and local leadership, of the Government's One Public Estate Programme.	Director	Ongoing	
A								6) Explore shared services opportunities with other Local Authorities.	LT	Ongoing	

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WS11	10-Jul-14	Strategy	Director & Portfolio Holders - Growth	Loss of a key employer or employment cluster.	Failure to retain major employers in the area and the economic impact that it would have		A	1) Liaison with the key employers to understand issues and opportunities by: coordinating and attending the West Suffolk Business Forum; organising the West Suffolk Business Festival (which provides opportunities for engagement with key employers); arranging visits to key employers for Leadership Team; promoting the ED team as a key point of contact for businesses and as a result responding to concerns and issues raised; and meeting and supporting business leaders in conjunction with the New Anglia Local Enterprise Partnership Growth Hub advisors.	Director - Planning and Growth	Ongoing	
							C	2) Preparation and delivery of Local Plan - Employment policies and allocations.	Director - Planning and Growth	Ongoing	
							C	3) Understand skills shortage and requirements by linking business to education providers and encourage businesses to take on apprentices.	Director - Planning and Growth	Ongoing	
							A	4) Help businesses access third party funding.	Director - Planning and Growth	Ongoing	
							A	5) Regular liaison with key employment clusters to enable the council to respond quickly to changing circumstances.	Director - Planning and Growth	Ongoing	
							A	6) In the worst case scenario (actions 1 - 5 ineffective) the ED team liaises with key partners such as Job Centre Plus and West Suffolk College to mitigate the impact of downsizing/restructuring.	Director - Planning and Growth	Ongoing	
WS12	10-Jul-14	Strategy Governance	Directors & Portfolio Holders	Partner / Public Sector failure	Partners or partnerships failing or under strain; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		C	1) Ensure robust SLA (Service Level Agreement) & Joint Venture arrangements are in place. Ensure good due diligence procedures are used.	All Directors	Ongoing	
							C	2) Regular monitoring of arrangements / outcomes.	All Directors	Ongoing	
							A	3) Regular meetings with key partners, including Suffolk Resilience Forum, fortnightly Suffolk CEO meetings and supporting groups to discuss impact and potential response of the Suffolk wide system.	All Directors	Ongoing	
							C	4) Understand the cumulative impact of complex partnership delivery arrangements.	CEO and LT	Ongoing	
							A	5) Develop robust governance arrangements for council owned companies. Barley Homes Business Plan under review in detail as part of regular reporting.	LT	Ongoing	
							A	6) Continue to work with health and other partners to develop the integrated delivery of health and leisure.	LT	Ongoing	
WS13	10-Jul-14	All	Director & Portfolio Holders	Service failure through unplanned events	Failure to respond adequately to both internal and external clients due to unforeseen events.		A	1) Services must have a workable, up to date Business Continuity Plan in place.	All Directors/All staff	Ongoing	
							C	2) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised.	LT	Ongoing	
							C	3) Appointed officers within each service to be responsible for the continuity plans.	All Appointed Officers	Ongoing	
								Please also see WS14 - Breach of data protection and information security and WS19 Cyber Security.		Ongoing	
							A	5) Adoption of lessons learned from Carillion and Capita issues. Procurement and contract management policies updated.	LT	Ongoing	

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WS14	10-Jul-14	Information	Director & Portfolio Holders	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data. Damage to council's reputation. Damage to individuals. Avoid legal challenge. Prevent potential claims for compensation. Financial penalty for failing to comply with GDPR		C	1) Information governance group coordinates councils' approach to risks.	Director	Ongoing	
							C	2) Regular monitoring to ensure information is held securely, including physical checks and provision of advice and guidance.	Service Manager (Internal Audit),	Ongoing	
							A	3) Improve staff and member communication on good practices and data security.	Service Manager (Strategic Communications)	Ongoing	
							A	4) Monitoring changes in service delivery and customer engagement to identify potential data protection and information security risks, along with potential action to mitigate these.	All SMs	Ongoing	
							A	5) Use of Information Sharing Agreements and Data Protection Impact Assessments where there are changes to data processing practices (including sharing of data).	Director - HR, Governance and Regulatory	Ongoing	
WS15	10-Jul-14	Operations	Chief Exec, Director & Portfolio Holders - Resources & Property	Service Performance	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		C	1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report.	Director - Resources & Property / R&P Business Partners	Ongoing	
							A	2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisers	Ongoing	
							C	3) Strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, Risk management, Project monitoring, Financial Reporting.	LT	Ongoing	
							C	4) Use PDR's to aid early identification of potential problem areas.	Line Managers	Ongoing	
							A	5) - Implications of implementing Business Continuity Plan on service delivery understood and communicated.		Ongoing	
								Please also see WS7 - Poor Project Management and WS5 - Staff Retention		Ongoing	
WS16	10-Jul-14	Strategy	All Directors & Portfolio Holders	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		C	1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future Strategic Planning, Service Planning and Policy Development.	Director - Families and Communities/ Planning /Growth/Operations	Ongoing	
							A	2) Monitor, research and analysis around demographics through DLUHC, ONS, LGA, LGC and other sources and share key findings with relevant services.	Service Manager (Corporate Policy)	Ongoing	
							A	3) Attend meetings of Suffolk Office of Data and Analytics Partnership Management Group to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to population forecasts not being able to deal accurately with USAFE population.	Service Manager (Corporate Policy)	Ongoing	

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WS17	10-Jul-14	People Security	Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff and councillors in all contexts. Failure to provide safe and healthy environment for visitors and the general public. Risk of HSE (Health & Safety Executive) prosecutions. Damage to civic and democratic processes due to abuse and intimidation (in person and online).		C	1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council, including democratic processes and engagement. Zero tolerance of abuse and intimidation.	Service Manager (HR, H&S and L&D)	Ongoing	
							C	2) Full risk assessments, safe systems of work, toolbox talks carried out for high risk activities in dangerous environments for operations and families and communities teams.	Director - Operations, Director - Families & Communities	Ongoing	
							A	3) Well being programme in place.	Service Manager (HR, H&S and L&D)	Ongoing	
							C	4) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme.	Service Manager (HR, H&S and L&D)	Ongoing	
							A	5) Communications, guidance and protocols issued to staff and councillors. Adopt national guidance of LGA in terms of councillor safety and positive community engagement (Debate not Hate campaign).	Service Manager (HR, H&S and L&D)	Ongoing	
							A	6) Appropriate insurances in place and regularly reviewed.	Service Manager (HR, H&S and L&D)	Ongoing	
							C	7) Continue a programme of health and safety audits according to H&S Risk. Keep council's constitution under review in relation to safe democratic processes.	Service Manager (HR, H&S and L&D)	Ongoing	
WS18	10-Jul-14	People Security	Service Manager & portfolio Holders- Strategic Housing	Safeguarding children and vulnerable adults	Failing, or being unable, to recognise and respond appropriately to (and/or escalate) safeguarding matters that could lead to a deterioration in individuals circumstances and potentially challenge to the Council's policies and procedures.		A	1) Working in Countywide safeguarding partnership - external annual S11 Audit of Council procedures and the annual self-assessment.	Director - Jill Korwin	Ongoing	
							C	2) Safe recruitment procedures are adopted for all staff recruitment.	Director - HR, Governance and Regulatory	Ongoing	
							A	3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme.	Service Manager-HR, Legal & Dem services	Ongoing	
							A	4) Ensure the Council has an up to date Safeguarding Policy that reflects legislative requirements.	Designated Safeguarding Lead (Strategic Director)	Ongoing	
							A	5) Develop toolkit for Staff and Councillors to deal with vulnerable individuals	Designated Safeguarding Lead (Strategic Director)	Ongoing	
WS19	06-Oct-17	Technology Information Security	Directors & Portfolio Holders	Cyber Security	Failure to appropriately protect West Suffolk's systems and Services from Cyber Attack		A	1) User Education & Awareness - Update Info Sec training to include more detail on data protection and introduce new education programme for all staff. Carry out regular training exercises to test processes in realistic scenarios	Service Manager - Customer & Digital Services, HR Business Partner	Ongoing	
							A	2) User Education & Awareness - Info Sec policy to be reviewed and disseminated to all staff (inc ARP) - and to be reviewed regularly	Service Manager - Customer & Digital Services, HR Business Partner	Ongoing	
							A	3) Incident Management - Business continuity planning card to be finalised, tested and disseminated.	Service Manager (Customer & Digital) and Strategic Director - Alex Wilson	Ongoing	
							A	4) Incident Management - Review of Business Continuity Plan to be finalised with the plan then agreed and published - this requiring a revisit of each service area to agree operational procedures and where stored to provide assurance that arrangements are in place in event of an incident	Service Manager (Customer & Digital), HR Business Partner, and Strategic Director - Alex Wilson	Ongoing	
							A	6) Secure Configuration - Carry out a user access / change control process for key systems, given that many are internet based. Security of systems operated for the Council by third parties kept under review/incorporated into procurement processes.	Service Manager - Customer & Digital Services, HR Business Partner, Service Manager	Ongoing	
							C	7) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff profiles. No tolerance approach adopted.	Service Manager (Customer & Digital)	Ongoing	

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WS20	04-Jan-19	Strategy Commercial	Directors & Portfolio Holders	Economic impact of rising costs on local business	Failure to manage the impact of rising inflation and increasing energy costs leading to loss of staff, supplier failure or West Suffolk business failure		A	1) Share information with businesses and business representatives about issues the Council is aware of that could impact on them and link them to sources of information	Service Manager Economic development	Ongoing	
							A	2) Review suppliers and identify those that could be at risk in the current environment and make appropriate contingencies	All ADs	Ongoing	
							A	3) Monitor impact in partnership with NALEP and other Suffolk LAs and identify new issues and respond accordingly.	Director	Ongoing	
							A	4) Continue to maximise the use of renewables in all Council buildings.	Director- Resources & Property	Ongoing	
WS21	03-Apr-19	Strategy Operations Project/	Directors & Portfolio Holders	Environmental impact of Council's activities	Failure to address this could increase the emissions the Council generates, thus failing to improve environment and address climate change and damage the reputation and increase costs of the Council.		A	1) Monitor activity and produce an annual Environmental Statement	Environment and Climate Change Task group	Ongoing	
							A	2) Implement and track the Climate Change Action Plan including the Net Zero 2030 plan and the Council's Carbon Budget.	Environment and Climate Change Task group	Ongoing	
							A	3) Implement and track the Council's £9m Decarbonisation Fund.	Director	Ongoing	
							A	4) Continue to maximise the opportunities from external funding to address climate change challenges.	Director	Ongoing	
							A	5) Environment and Climate Change Action Plan to be followed and specific actions and controls within to be monitored and included in regular performance management (WS15)	Relevant Service Leads	Ongoing	
WS22	03-Apr-19	Strategy	Directors & Portfolio Holders	Financial Impact on individuals due to rising cost of living, inflation etc.	Failure to address the challenges posed by increased demand on services as a result of increased personal debt in the region.		A	1) Monitor and report on outstanding debt position relating to UC, HB and CT through the Anglia Revenues Partnership.	Service Manager - Finance & Performance	Ongoing	
							A	2) Monitor and report on demand in relation to the housing element of the Household Support Fund (HSF) which is allocated from SCC to West Suffolk.	Service Manager - Housing Options	Ongoing	
							A	3) Response to increasing demand built in to Suffolk-wide cost of living and and poverty strategy work. Will need to monitor the future provision of the Household Support Fund which is allocated from central government to SCC and used to fund a number of schemes , such as Local Welfare Assistance Scheme.	Director - Families & Communities	Ongoing	
WS23	09-Jun-23	Political	Directors & Portfolio Holders	Administration Transition	Failure to address the administrative and organisational challenges posed by significant change in the political leadership of the council.		A	1) Full member induction programme with individual service area training as required.	LT/Members	Complete	
							A	2) National protocol for new administration followed and delivered.	LT/Members	Complete	
							A	3) Programme for development of strategic priorities, corporate plan and MTFS established	LT/Members	On going	

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Stage 1: Identify the risk

- Consider the 13 categories of risk (as per UK Gov Orange Book 2023)
- Discuss with colleagues and group
- Examine trends
- Analyse previous problems
- Consider experiences from other organisations

Risk Category	Description Category of Risk
Strategy	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).
Governance	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
Operations	Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Legal	Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets.
Property	Risks arising from property deficiencies or poorly designed or ineffective/inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
Commercial	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.
People	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
Technology	Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
Information	Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.
Project/Programme	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
Reputational	Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.

Stage 2: Assess the risk

Threats	Consider events or situations that could exploit or trigger known or unknown vulnerabilities. (<i>Threats are generally Natural, Human or Environmental</i>)
Vulnerabilities	Consider weaknesses in control, either identified or perceived, that could allow the threat to be realised.
Risks	Where there is a threat that can be realised through a vulnerability, this should be considered as a risk and recorded.

Stage 3: Rate the risk

Consider the **probability** of the event happening over a period of time.

Consider the **impact** on the Authority of an event being realised.

PROBABILITY x IMPACT + RISK RATING

PROBABILITY

Descriptor	Level	Probability for planning for the event happening over the period of one year
Probable	5	≥ 90%
Likely	4	≥ 50% and < 89%
Possible	3	≥ 20% and < 49%
Unlikely	2	≥ 1% and < 19%
V. Unlikely	1	< 1%

IMPACT ON THE AUTHORITY OF AN EVENT BEING REALISED

Descriptor	Level	Financial	Reputation	Legal	Personnel	Asset	Technology
Severe	5	≥ £1M	Irrecoverable	Major legal or regulatory sanction	Death	Massive irrecoverable damage / total loss	No alternative manual fall-back
Significant	4	≥ £250K	Legally damaging (civil or criminal)	Significant legal or regulatory sanction	Permanent avoidable disability	Major damage / significant loss	Manual fall-back available in the short term
Moderate	3	≥ £50K	Perception	Some legal or regulatory sanction	Sever injury / hospitalisation	Moderate damage	Manual fall-back available in the medium term
Minor	2	≥ £25K	Perception	Some legal or regulatory notification	First Aid required	Minor damage	Manual fall-back available in the long term
Insignificant	1	≥ 1K	None	No legal or regulatory consequences	None	None	Manual fall-back available indefinitely

RISK RATING MATRIX

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5

RISK RATING DEFINITIONS

Risk Rating	Level of Risk	Action required to mitigate risk
≥ 15	HIGH	Immediate action required to transfer, treat, tolerate or remove the risk
≥ 5 and <15	MEDIUM	Some degree of planned action required to transfer, treat, tolerate or remove the risk
< 5	LOW	No further action required – continue monitoring the situation

Stage 4 : Control the risk

Assess the current controls in place to establish whether they are Effective, Partially Effective or Ineffective.

Develop SMART actions to control the risk by:

- Transferring the risk
- Treating the risk
- Tolerating the risk
- Removing the risk

Any Service risks that are HIGH or any common risks that could aggregate into a Strategic Risk must be escalated to the Strategic Risk Register Group for review.

Stage 5: Monitor the risk

Risks should be regularly reviewed and reported through:

- Strategic Risk Register Group meetings
- Performance, Audit & Scrutiny Committee meetings

Risk ratings and relevance must be reassessed regularly or whenever a trigger event occurs, such as:

- Risk scenario changes
- A new risk is identified
- There is a significant change in working practice, environment or system

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Appendix G - List of available Key Performance Indicators (indicators highlighted in yellow are already seen by PASC)

Topic	Slide number	Indicator	
Cross cutting environmental performance	2	Amount of petrol used by fleet vehicles and equipment (litres)	
		Amount of diesel used by fleet vehicles and equipment (litres)	
		Amount of red diesel used by grounds maintenance vehicles (litres)	
		Amount of Ad Blue used by fleet vehicles (litres)	
	3	Amount of electricity consumed by five highest consuming council sites, where half hourly metering exists (kWh)	
		Amount of gas consumed by five highest consuming council sites, where half hourly metering exists (kWh).	
		Amount of water consumed at the top five highest consuming sites where automatic meter reading exists (cubic meters)	
		Total business mileage by staff and councillors in own vehicles (miles) (one month lag)	
		Amount of dry, mixed and food waste from West Suffolk House (tonnes).	
		Amount of general waste from West Suffolk House (tonnes).	
Cross cutting: wider economic context	4	Percentage of vacant shops in Brandon.	
		Percentage of vacant shops in Bury St Edmunds.	
		Percentage of vacant shops in Clare.	
		Percentage of vacant shops in Haverhill.	
		Percentage of vacant shops in Newmarket.	
		Percentage of vacant shops in Mildenhall.	
		Percentage of vacant shops in West Suffolk .	
		Percentage of vacant shops in UK.	
	5	Number of young people not in education, employment or training (NEETs)	
		Footfall in Newmarket town centre	
		Footfall in Bury St Edmunds town centre	
	6	Number of car parking events in West Suffolk Council off-street car parks	
		Number of off-street and on-street car parking events in Brandon	
		Number of off-street and on-street car parking events in Bury St Edmunds	
		Number of off-street and on-street car parking events in Clare	
		Number of off-street and on-street car parking events in Haverhill	
		Number of off-street and on-street car parking events in Newmarket	
		Number of off-street and on-street car parking events in Mildenhall	
		Number of off-street and on-street car parking events in West Stow	
	Customer contact: website	7	Number of unique users of the West Suffolk Council website
			Total number of page views to West Suffolk Council website
	Housing and Strategic Health	8	Number of households where the Prevention Duty ended - West Suffolk only
Number of households where the Relief Duty ended - West Suffolk only			
Rate of households where Prevention Duty ended in West Suffolk (per 1000 households)			
Rate of households where Prevention Duty ended in Suffolk (per 1000 households)			
Rate of households where Prevention Duty ended in England (per 1000 households)			
Rate of households where Relief Duty ended in West Suffolk (per 1000 households)			
Rate of households where Relief Duty ended in Suffolk (per 1000 households)			
Rate of households where Relief Duty ended in England (per 1000 households)			
9		Number of households where the Main Homelessness Duty is owed (acceptances) - West Suffolk only	
		Rate of households owned the Main Homeless Duty (acceptances per 1000 households) in West Suffolk	
		Rate of households owned the Main Homeless Duty (acceptances per 1000 households) in Suffolk	
		Rate of households owned the Main Homeless Duty (acceptances per 1000 households) in England	
		Number of Personalised Housing Plans created	
10		Number of rough sleepers as at last day of the month	
	Number of Home-link applications submitted		

Topic	Slide number	Indicator	
		Number of Home-link applications made live	
		Number of households housed into social housing	
	11	Number of referrals made to the Early Intervention team from third parties	
		Number of homelessness duties discharged into the private rented sector	
		Number of placements into temporary accommodation	
		Number of placements into emergency accommodation, including Bed and Breakfasts	
		Number of referrals made for Welfare Benefit Officer support	
		Number of referrals made for Domestic Abuse support	
		Number of new landlords joining West Suffolk lettings partnership	
		Number of Private Rented Properties gained through West Suffolk lettings partnership	
		Number of referrals into West Suffolk Letting Partnership received	
		Number of rent deposit bonds provided.	
	12	Number of new fast-track grant applications received.	
		Number of new mandatory grant applications received.	
		Number of new other grant applications received.	
		Number of new fast-track grant applications approved.	
		Number of new mandatory grant applications approved.	
		Number of new other grant applications approved.	
		Average time taken to process fast-track grant cases from received to works completed (weeks).	
		Average time taken to process mandatory grant cases from received to works completed (weeks).	
	Average time taken to process other grant cases from received to works completed (weeks).		
	13	Number of new noise complaints received.	
		Number of new noise complaints received (year to date)(YTD).	
		Number of noise complaints resolved within allocated timeframe.	
		Number of noise complaints resolved (YTD).	
		Number of Public Health cases received.	
		Number of Public Health resolved within allocated timeframe.	
		Number of pro-active Houses in Multiple Occupation (HMO) investigations carried out on previously unknown HMOs.	
		Number of previously unknown HMOs identified as a result of pro-active inspections brought up to standard.	
	14	Percentage of housing complaints received that were resolved within the allocated timescales	
		Number of Housing Health and Safety Rating System hazards removed or reduced	
		Percentage of HMO (all types) complaints received that were resolved within the allocated timescales	
		Number of damp and mould hazards identified through Housing Health and Safety Rating System	
		Number of active Category I cases involving damp and mould in properties for which West Suffolk Council is responsible for repairs	
		Number of contacts from tenants of West Suffolk Council properties in regard to damp and mould	
	15	Number of HMO (5+ people) license and renewal applications currently being processed.	
		Number of non-licensable (3-4 people) HMO inspections carried out.	
		Number of non-licensable (3-4 people) HMO inspections due.	
		Number of licensable (5+ people) HMO inspections carried out.	
		Number of licensable (5+ people) HMO inspections due.	
		Number of HMOs (all types) in West Suffolk	
	Resources and Property	16	Percentage collection of Council Tax (collection rate).
			Amount of Council Tax collected (YTD).
			Amount of Council Tax collected against target
	17	Percentage collection of business rates.	
		Amount of business rates collected (YTD).	
Value of fraud identified by the Anglia Revenues Partnership team (YTD)			
Number of Reminders and Summonses issued for Council Tax			
18	Days taken to process Local Council Tax Reduction Scheme claims.		
	Days taken to process Housing Benefits claims.		

Topic	Slide number	Indicator	
	19	Number of new claims for Local Council Tax Reduction Scheme	
		Number of e-forms received (YTD).	
		Number of new claims for housing payments for temporary accommodation	
		Number of new claims for Discretionary Housing Payment or Exceptional Hardship Fund	
		Number of telephone calls made by the Recovery Team	
	20	Amount of debt over 90 days old.	
		Percentage of undisputed invoices paid within 30 days.	
		Percentage of total overdue debt out of the total invoiced moving total	
		Percentage of void properties across entire commercial estate.	
			Percentage of invoices processed without a purchase order.
Governance	21	Average number of sick days lost per full time equivalent (FTE) per year.	
		Number of current employees (head count).	
		Number of new starters (YTD).	
	22	Number of unscheduled elections and referendums held (YTD).	
		Percentage overall canvass completion.	
			Number of apprenticeships or apprentices (those on apprenticeship contracts and those staff that are also undertaking an apprenticeship course alongside their day-to-day role).
			Percentage of voluntary turnover.
			Total number of prosecutions .
			Number of successful prosecutions.
			Number of Data Subject Access Requests
Regulatory and Environment	23	Number of outstanding routine food hygiene inspections due (Food Safety Service Plan).	
		Percentage of poor rated food businesses (given rating between 0 and 2) brought to compliance (equivalent to 3 to 5 rating) with council interventions within three months.	
	24	Percentage of broadly compliant food businesses (given rating between 3 and 5).	
		Percentage of complaints and incidents regarding West Suffolk food businesses resolved within three months.	
			Number of new food premises applying for a new registration licence.
	25	Amount of renewable energy from Toggam solar farm (YTD) (MWh) .	
		Amount of renewable energy from Toggam solar farm (month) (MWh).	
		Amount of renewable energy from other West Suffolk investments (MWh).	
			Capacity of solar installations completed by the council (YTD) (kW).
	Families and Communities	26	Number of contacts received - phone.
Number of contacts received - face-to-face.			
Number of contacts received - online or email.			
27		Percentage of phone calls answered.	
		Percentage of contacts by channel - phone.	
		Percentage of contacts by channel - face-to-face.	
			Percentage of contacts by channel - online or email.
28		Percentage of phone calls answered.	
		Percentage of customers satisfied with service received.	
			Number of locality budget applications processed by team.
			Number of open Anti-Social Behaviour cases being managed by team.
			Number of IT helpdesk calls logged by Service Level Agreement paying customers
			Percentage of IT helpdesk calls from SLA paying customers closed on target
			Number of IT helpdesk calls logged by West Suffolk Council core customers
			Percentage of IT helpdesk calls from WSC core customers closed on target
Growth	29	Percentage of businesses that are new start-ups in West Suffolk	
Leisure, Culture and Community Hubs	30	Number of Abbeycroft memberships (one month lag).	
		Number of non-membership admissions to Abbeycroft (one month lag).	
		Number of performances at The Apex	

Topic	Slide number	Indicator
		Number of other events at The Apex
		Number of internal requests to Facilities Management for projects and services.
	31	Number of visitors to West Suffolk parks.
		Number of visitors to West Suffolk heritage sites.
		Number of visits from school pupils to West Suffolk heritage sites.
Planning	32	Percentage of major planning applications determined within the agreed timescales.
		Percentage of minor planning applications determined within the agreed timescales.
		Percentage of other planning applications determined within the agreed timescales.
	33	Percentage of applications with pre-application advice that are right first time out of all received.
		Percentage of applications without pre-application advice that are right first time out of all received.
		Percentage of major and minor applications with up pre-application advice.
	34	Number of applications not monitored by Department for Levelling Up Housing and Communities which are included on government returns.
		Number open planning enforcement cases.
	35	Number of dwelling units delivered (one month lag)
		Number of net additional dwellings completed (YTD) (one month lag).
		Percentage of affordable dwelling units delivered on sites of 10 or more units.
		Number of affordable dwelling units built on sites of 10 or more
Operations	36	Number of hours contributed to West Suffolk green and heritage spaces by volunteers.
		Number of registered volunteers.
		Number of tree-related enquiries
	37	Percentage of household waste recycled and/or composted in West Suffolk.
		Percentage of household waste recycled and/or composted in Suffolk
		Percentage of household waste recycled and/or composted in England
		Average amount of residual waste per person in West Suffolk (KG).
		Average amount of residual waste per person in Suffolk (KG).
		Average amount of residual waste per person in England (KG).
		Average amount of residual waste per household in West Suffolk (KG).
	38	Percentage of material delivered to the recycling facility which is 'prohibited' (contamination rate) in West Suffolk
		Percentage of material delivered to the recycling facility which is 'prohibited' (contamination rate) in Suffolk
		Number of fly-tipping incidents recorded in West Suffolk.
		Number of actions taken to combat fly-tipping in West Suffolk.
		Percentage of household bins successfully collected in West Suffolk.

Environment & Sustainability Update, December 2023

Update from Environment and Sustainability Reference Group.
(ESRG)

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Synopsis

The progress against the delivery of commitments in the Net Zero Carbon 2030 strategy will be reported on a quarterly basis through the council's Performance and Audit Scrutiny Committee. The aim is to provide reporting of progress that is transparent, easily accessible to the community and ensures accountability to residents.

This report provides an up-to-date summary of overall progress and performance on the delivery of commitments set out in the Environment and Sustainability [Action Plan](#).

The progress updates on commitments are organised according to the five different programme workstreams that are responsible for the delivery of actions. These workstreams are:



Biodiversity



Housing (retrofit)



**Community and
Communications**



Planning and Regulation



Corporate Action

Notable tasks and projects

The following report is not a replacement for the adopted Environment and Climate Change Action Plan. Any new or revised actions agreed as a result of this update will be reflected in the action plan going forward. Once any potential next steps are agreed by the Group and/or Cabinet as applicable, timescales, resource implications, etc will be identified.

Workstream	Notable task or project	Update
Biodiversity	Increase tree cover	The application to the Local Authority Treescape fund was successful with a total grant of £27,000 being awarded. The grant will enable us to plant around 120-130 semi-mature trees to replace those which have had to be removed because they are either dead, dying or dangerous.
	Green Flag status	The Green Flag award process is now completed for 2023. West Suffolk gained 6 green flag awards – East Town Park, Brandon Country Park, Abbey Gardens, West Stow Country Park, Nowton Park & Aspal Close.
	Green equipment	East Town Park have purchased a new Stihl RMA 765v battery powered cut and collect mower. Electric excavator at Bury Cemetery has also been received.
Communities and Communications	Air quality community initiatives	Joint Suffolk bid submitted for DEFRA Air Quality Grant.
	Solar for business	40 businesses in pipeline for legal agreements. Proactive marketing therefore paused temporarily. Tenders completed for eight more sites.
	Reverse Vending Machines Pilot	Work being undertaken to scope pilot. Funding has been made available, including contributions from partners. Confirming suitable locations.

	Reduce waste and improve recycling	Resources and Waste Strategy (RAWS) update: Following delays, the Government has recently announced the key requirements for RAWS and 'simpler recycling'. Representations and responses to the latest consultation are being made through the Suffolk Waste Partnership.
	SCC Walking and Cycling funding	Bury St Edmunds East-West route design work allocated funding and currently under consultation and response is being prepared. It is one of only two routes outside Ipswich.
	Community events	Community networking climate change event held in Bury, 8 November.
Corporate Action	Green Travel Plan	Green Travel survey launched between 2 October to 5 November to inform updated Green Travel Plan for West Suffolk House (WSH).
	EV charging at depots	New supplier Drax has been identified
	Renewable Energy at Council sites	Following site visit with consultants a quote has been received for designing a new Ground Source Heat Pump (GSHP) heating system for WSH. Bid submitted to Sport England funding to cover various decarbonisation measures for leisure centres.
	Decarbonisation Initiatives Fund	An expression of interest form has been developed for first call on scheme - LED conversion of parish-owned streetlights. Engagement is taking place with parish and town councils to confirm interest in the scheme and organise initial scoping of streetlight improvement requirements (see update in achievements section below). Parishes are also being asked to suggest other uses of the fund.
Housing (retrofit)	Retrofit programmes	Funding secured from a number of government schemes that is delivering £13 million of Energy Efficiency measures to homes across Suffolk (for example, £1.8 million for social housing). Working through 'Warm Homes Suffolk' to promote and deliver through seven different schemes - low-income householders can benefit from these.
	Housing Improvement Loans Scheme	Awaiting launch for county wide scheme that is being procured by Suffolk County Council

Planning and Regulatory	Planning Application Checklist	Discussion around the emerging local plan policy has also highlighted the potential for an enhanced energy statement (referred to as a sustainability statement rather than a checklist), which is currently in development. However, the checklist would still be used for smaller development.
	Local Plan	Draft Submission policies (including ecology and landscape elements) have been reviewed by Local Plan Working Group and ready for consultation.

Overall summary of progress

Overview of the progress on delivery of commitments set out in the Action Plan since the last report to Cabinet.

Key progress highlights

- Work has commenced on the new actions agreed by Cabinet (and recommended by the Working Group), with good progress made on the Reverse Vending Machine Pilot and the Decarbonisation Initiatives Fund.
- In Newmarket, work to improve access along the Yellow Brick Road has progressed – paths have been extended, a bridge installed and opened to the public, and the guarded orchard has been surveyed.
- The results for 'Anglia in Bloom' were announced on the 20th September, with the following awards being made:
 - Bury St Edmunds (Visited by Anglia in Bloom judge)
 - Abbey Gardens – Best public open space.
 - Bury St Edmunds – Gold in Large Town award.
 - Nowton Park – Silver.
 - Brandon (Electronic application)
 - Brandon Country Park – Gold.
 - Burial ground – Silver.
 - St Peters churchyard – Gold.
 - The Wedge – Best floral display.
- Brandon was also in the national 'Britain in Bloom' UK finals and won two awards – the Town category and a Gold award.
- West Suffolk took part in the Recycling week (16-22 October), 'The Big Recycling Hunt' national campaign and the operations team have attended events in support of Suffolk School Skills Days in Haverhill, Newmarket and Bury St Edmunds, teaching children about recycling and showing them around a bin collection lorry.
- A new water KPI has been added to corporate performance monitoring.
- New signage has been added to West Suffolk House, Mildenhall Hub and Haverhill house, plus an intranet post will be published to inform staff on correct recycling practices.
- Local Plan is currently on track for submission and consultation in 2024.
- There will be a 'Safe Suffolk Renters' Stock Condition Survey in 2024.
- The Decarbonisation Initiatives Fund, agreed by Council on 26 September 2023, was formally launched on 16 October.

- The initial stage of the project is focused on engagement with parish and town councils – specifically, informing them of the details of the fund and asking them to complete “Expressions of Interest” forms.
- At least 18 council own streetlights. Of this number, as of December, seven councils have already signed up and two have indicated that they are not eligible for the scheme. The others are due to consider the scheme at upcoming meetings.
- Suffolk Public Sector Leaders have allocated a further **£1.96m** to deliver the Suffolk Climate Emergency Plan and we will continue to link West Suffolk initiatives to benefit from this.

Ongoing issues

- Finalising the environmental evidence base for the Local Plan will be a priority for the Council in this next reporting period.
- There also remains a strong case to include retrofitted housing improvements in any new Housing Strategy, ensuring that both existing and any new schemes are included within a new strategic vision.
- We are working through technical issues with suppliers to improve public electric vehicle charging.

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Treasury Management Report - December 2023

Report number:	FRS/WS/24/001	
Report to and date(s):	Financial Resilience Sub Committee	15 January 2024
	Performance and Audit Scrutiny Committee	25 January 2024
	Cabinet	6 February 2024
	Council	20 February 2024
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Gregory Stevenson Service Manager – Finance and Procurement Tel: 01284 757264 Email: gregory.stevenson@westsuffolk.gov.uk	

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

Wards impacted: All

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

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

1. Treasury Management Report – December 2023

- 1.1 The report is part of the Councils' management and governance arrangements for Treasury Management activities under the CIPFA Code of Practice on Treasury Management. It provides a comprehensive assessment of activities from 1 April 2023 to 31 December 2023.
- 1.2 CIPFA has adopted the following as its definition of treasury management activities:
- The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.
- 1.3 The strategy for these activities in 2023 to 2024 was laid out and approved at Performance and Audit Scrutiny Committee in January 2023.

2. Executive Summary

- 2.1 The Council held investments of £55,750,000 as at 31 December 2023. Interest achieved in the first nine months of the financial year amounted to £2,083,152.79 against a budget for the period of £536,250.
- 2.2 External borrowing as at 31 December 2023 was £9,500,000, a reduction of £250,000 from 1 April 2023 (relates to the repayment plan for the recent PWLB £10 million 40 year loan), with the Council's level of internal borrowing being £47,604,200 as at 31 December 2023. Overall borrowing (total of both external and internal) is expected to increase over the full financial year.
- 2.3 Borrowing costs (Interest Payable and MRP) for the year are currently forecast to be £1,097,895 against an approved budget of £2,294,200, although this could change if more external borrowing is undertaken than is currently forecast.

3. Interest Earned from Treasury Investments during the period

- 3.1 The 2023 to 2024 Annual Treasury Management and Investment Strategy Statements (report COU/WS/23/002 approved 21 February 2023) sets out the Council's projections for the current financial year. The annual budget for investment income for 2023 to 2024 is £715,000 which is based on a 3.25 per cent target average rate of return on investments.
- 3.2 At the end of December 2023 interest actually earned during the first nine months of the financial year amounted to £2,083,152.79 (average rate of return of 4.55 per cent) against a profiled budget for the period of £536,250 (average rate of return 3.25 per cent); a budgetary surplus of £1,546,902.79. The surplus is due to two main reasons, the council were holding higher levels of cash balances than anticipated and the rising Bank of England base rate having a knock-on effect on investment returns.

3.3 The table below summaries the investment activity during the period

Treasury Management – Investment Activity Summary	
	2023 to 2024 (£)
Opening Balance 01 April 2023	43,000,000
Investments made during the year (including transfers to business reserve accounts)	185,050,000
Sub Total	228,050,000
Less Investments realised during the year (including withdrawals from business reserve accounts)	172,300,000
Closing Balance 31 December 2023	55,750,000

Please note: The Councils cash balances are currently greater than forecast (average annual level of cash balances forecast was £22 million) as a result of underspends on the capital programme, as well as holding advanced housing options and other support grant payments.

3.4 The table below lists the investments held as at 31 December 2023

Investments held as at 31 December 2023				
Counterparty	Principal Amount (£)	Interest Rate	Date Loaned	Date Returned
Santander 365 Day notice	8,000,000	4.91%	01/04/23	11/06/24
Santander 95 Day notice	500,000	4.73%	01/04/23	95 day Notice
Lloyds Treasury Account	2,250,000	4.55%	01/04/23	On call availability
Barclays 32 Day notice	2,000,000	5.20%	20/11/23	32 day notice
CCLA Money Market Fund	4,000,000	Variable	01/04/23	On call availability
HM Debt Man. Office	3,000,000	5.450%	24/08/23	23/02/24
HM Debt Man. Office	3,000,000	5.240%	02/10/23	19/01/24
HM Debt Man. Office	3,000,000	5.240%	02/10/23	15/01/24
HM Debt Man. Office	4,000,000	5.260%	02/10/23	15/02/24
HM Debt Man. Office	2,000,000	5.220%	13/10/23	22/01/24
HM Debt Man. Office	6,000,000	5.200%	01/11/23	19/02/24
HM Debt Man. Office	3,000,000	5.205%	01/11/23	15/03/24
HM Debt Man. Office	3,000,000	5.200%	10/11/23	15/04/24
HM Debt Man. Office	5,000,000	5.200%	01/12/23	25/04/24
HM Debt Man. Office	5,000,000	5.185%	01/12/23	19/03/24
HM Debt Man. Office	2,000,000	5.190%	20/12/23	15/05/24

There were no other fixed term investments				
Total	55,750,000			

Please note: The interest rates above are the rates as at 31 December 2023. Actual rates going forward could fluctuate. On the advice of Arlingclose, notice was placed on the Santander 365 account on 12 June 2023, with the funds being returned on 11 June 2024.

- 3.5 The Council has an earmarked revenue reserve to mitigate against possible adverse fluctuations in the returns received from the council's investments and external borrowing costs, called the Capital Projects Financing Reserve. The balance in this reserve as at 31 December 2023 was £6,548,067, with this forecast to increase to £9,509,753 by the end of the financial year. This reserve will also be available to fund additional external payable costs, due to higher Public Works Loans Board rates to those assumed within previous business cases. The 2024 to 2025 budget process will assess the impact on the reserve and interest payable budgets across the medium to longer term.

4. Borrowing activity during the period

- 4.1 As with the 2022 to 2023 financial year, the Council continues to hold significant cash balances, see 3.4 above. A large amount of the funds currently being held are on behalf of others e.g. £5.2 million relates to Suffolk wide grants from the Department for Business, Energy and Industrial Strategy for which West Suffolk are acting as the lead partner, as well as council tax receipts held on behalf of Suffolk County Council and Suffolk Police & Crime Commissioner.
- 4.2 On 31 December 2023, West Suffolk had £9.50 million of external borrowing, which is £250,000 less than it held on 1 April 2023, this relates to the repayment plan for the recent PWLB £10 million, 40-year loan. With interest rates having increased and cash balances remaining healthy, it is unlikely that any further external borrowing will need to be undertaken in the 2023 to 2024 financial year, although this is kept under constant review and may change if circumstances and advice changes.
- 4.3 The table below is a summary of the external borrowings and temporary loans as at 31 December 2023.

External Borrowings and Temporary Loans					
Lender	Balance – 1 April 2023 (£)	Movement (£)	Balance - 31 Dec 2023 (£)	Interest Rate	Maturity date
PWLB	9,750,000	(250,000)	9,500,000	1.84%	1 December 2062

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

4.5 The table below details the forecast for the councils Capital Financing Requirement (underlying need to borrow) over the next 3 years, based on the proposed capital programme and will be updated when the final budget is approved.

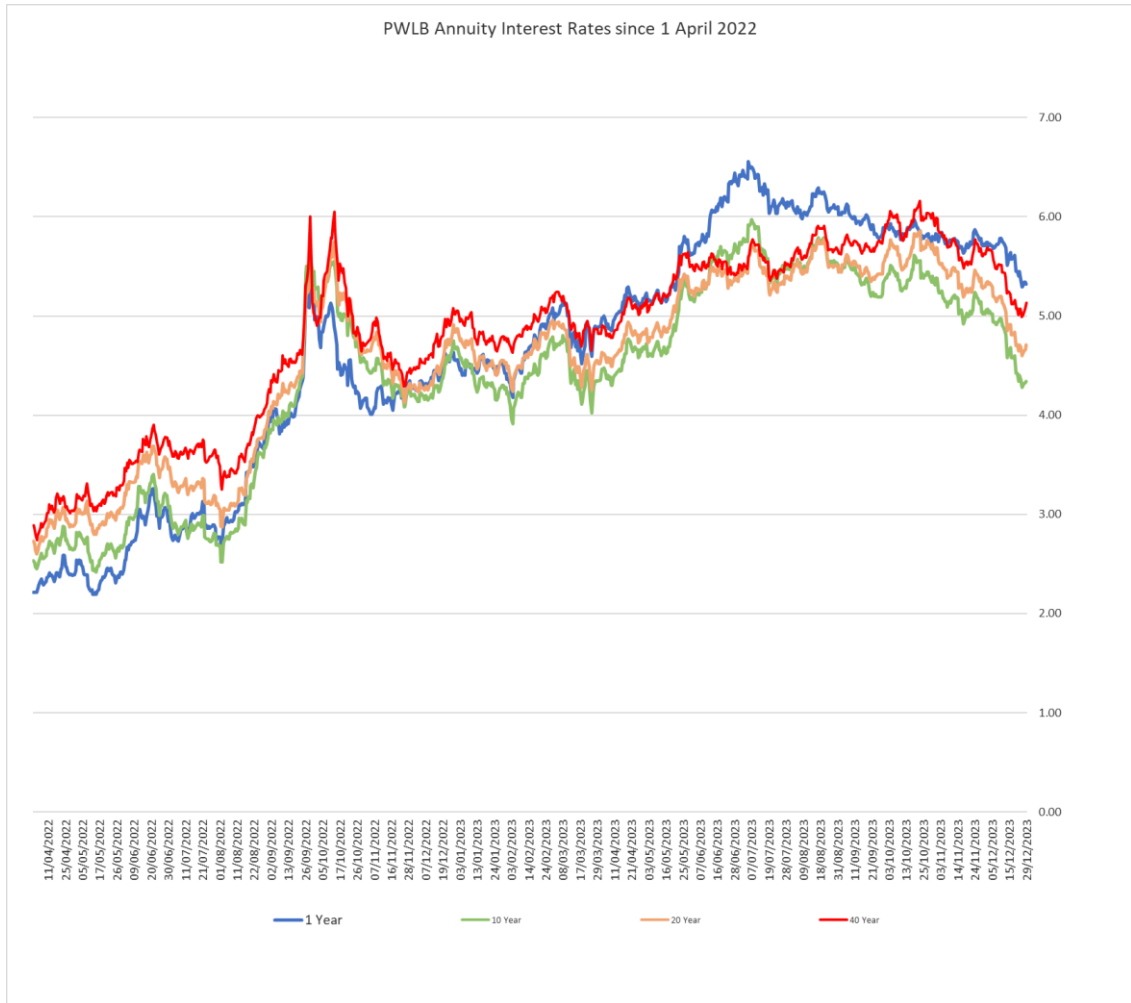
	31 March 2023	31 March 2024	31 March 2024	31 March 2025	31 March 2026
	Actual £ millions	Revised Budget £ millions	Forecast £ millions	Forecast £ millions	Forecast £ millions
Capital Financing Requirement (CFR)	56.31	76.48	59.37	95.02	117.90

5. Borrowing Strategy and Sources of Borrowing

5.1 As detailed in the 2023 to 2024 Treasury Management Strategy Statement, the current borrowing strategy is still to make short-term use of internal funds (internal borrowing). This is being continually monitored by the Council, along with Arlingclose (treasury advisors), to determine whether this is still the most optimal strategy or whether to look at borrowing additional sums at long-term fixed rates (which offers long term interest cost certainty but whilst the council hold cash balances will come with short term holding costs – we would be paying external interest costs when we don't need to).

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

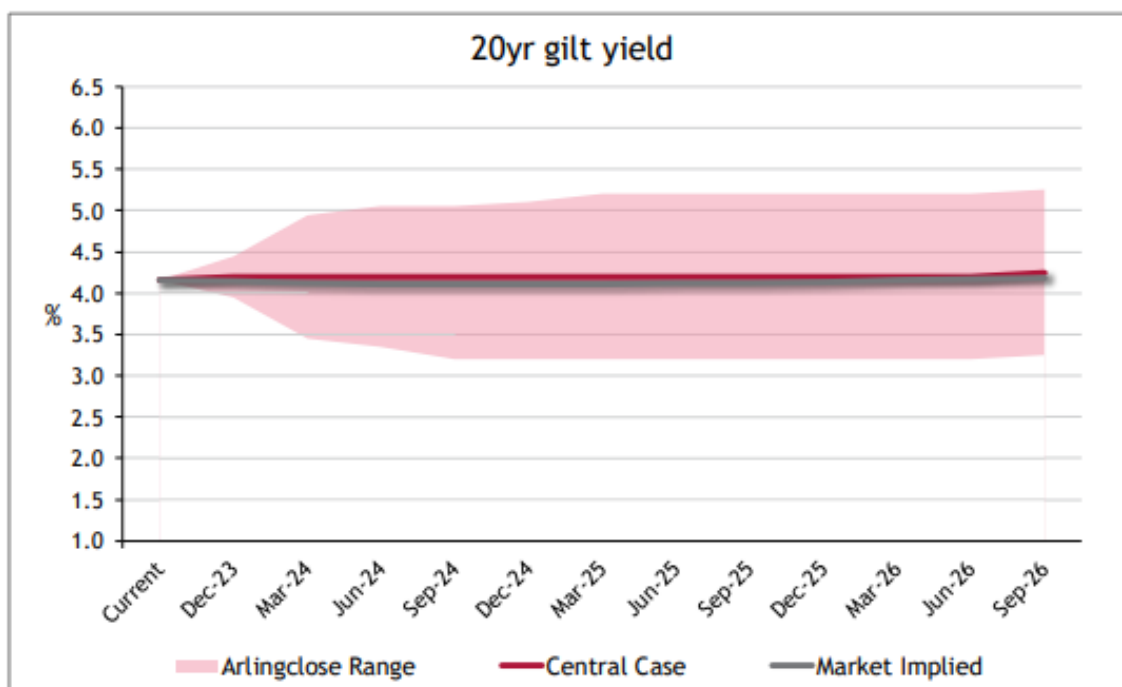
5.3 The graph below shows historic PWLB interest rates over the previous 21 months, for different durations based on borrowing using the annuity method.



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

5.5 As you can see from the graph above, PWLB rates have gone through a period of significant volatility over the past 21 months. This is largely as a result of global inflation being at elevated levels, with the expectation that these higher levels will last longer than originally anticipated. This has led to central banks in the UK, US and EU to raise central interest rates and follow policies of monetary tightening beyond original expectations. Inflation rates are beginning to drop down to levels closer to targets, and markets are starting to price in expectations for interest rate reductions over the coming months. This is highlighted by the recent drop in PWLB rates as shown in the graph above.

5.6 The graph below shows the forecast for 20-year UK gilt yields (as mentioned in 5.4 above, PWLB borrowing rates are directly linked to UK gilt yields). The red line is the Arlingclose forecast of where these gilt yields will be, with the grey line being what the market think will happen. Arlingclose is expecting a fairly flat profile on gilt yields going forward, whilst highlighting there will be daily variations up and down.



5.7 PWLB interest rates for 40-year borrowing using the annuity method were 5.13 per cent (4.93 per cent for Certainty Rate) on 31 December 2023. Using the current value of internal borrowing of £47,604,200, if we were to transfer all of that internal borrowing to a 40-year PWLB loan using the 4.93 per cent Certainty Rate, the Council would incur an initial annual interest payable cost of £2,525,792 (including our current external borrowing). This compares to our interest payable budget for 2023 to 2024 of £1,509,100. As detailed in 4.1 and 4.2, the council is currently holding significant cash balances and as such does not need to transfer this level of internal borrowing to external.

5.8 The Council also has an earmarked revenue reserve to mitigate against possible adverse fluctuations in interest and borrowing rates, called the Capital Projects Financing Reserve. The balance in this reserve as at 31 December 2023 was £6,548,067, with this forecast to increase to £9,509,753 by the end of the financial year. The Capital Projects Financing reserve is available to be utilised across the MTFS period when external borrowing is required. As part of the 2024 to 2025 budget setting process, the adequacy of the annual interest payable budget will be access, along with the reserve balance.

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

6. Borrowing and Capital Costs - Affordability

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

main projects which make up the majority of the Councils borrowing requirement are:

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

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

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

6.4 The details of these Budgets are laid out below.

Summary of Capital Borrowing Budget 2023 to 2024			
Project – all supported by business cases	Borrowing Requirement (Budget)	Borrowing Costs	
		Minimum Revenue Provision (MRP)	Interest Payable
Investing in our Growth Fund	£12,108,692	£0	£0
Western Way Development	£0	£0	£0
Olding Road site – Immediate Works	£1,000,000	£0	£0
Incubation Units, Suffolk Business Park	£8,546,263	£0	£0
Net Zero / Community Energy Plan	£5,617,595	£25,300	£0
Mildenhall Hub	£17,557,777	£149,900	£200,400
West Suffolk Operational Hub	£9,341,980	£177,800	£301,950
Newmarket Leisure Centre	£2,726,911	£13,350	£169,600
Toggam Solar Farm	£1,669,494	£193,550	£338,800
20 High St Haverhill	£1,754,605	£30,300	£55,000

113 High St Newmarket	£664,709	£12,000	£21,800
Olding Road DHL Depot	£3,549,684	£0	£0
Provincial House	£3,377,518	£56,950	£96,700
Vicon House, Western Way	£3,235,932	£52,300	£99,200
33-35 High St, Haverhill	£359,330	£5,600	£10,700
17/18 Cornhill	£2,767,735	£40,700	£83,400
Elsley's Yard	£234,624	£5,500	£10,900
St Edmunds Guest House	£971,929	£10,650	£35,100
Brandon Leisure Centre	£238,227	£11,200	£10,550
Loans and other	£2,697,000	£0	£75,000
Total borrowing and associated servicing costs	£78,420,005	£785,100	£1,509,100*
% of Gross Revenue Income Budget		1.2%	2.4%

* This represents an average interest rate of 2.75 per cent across the business cases.

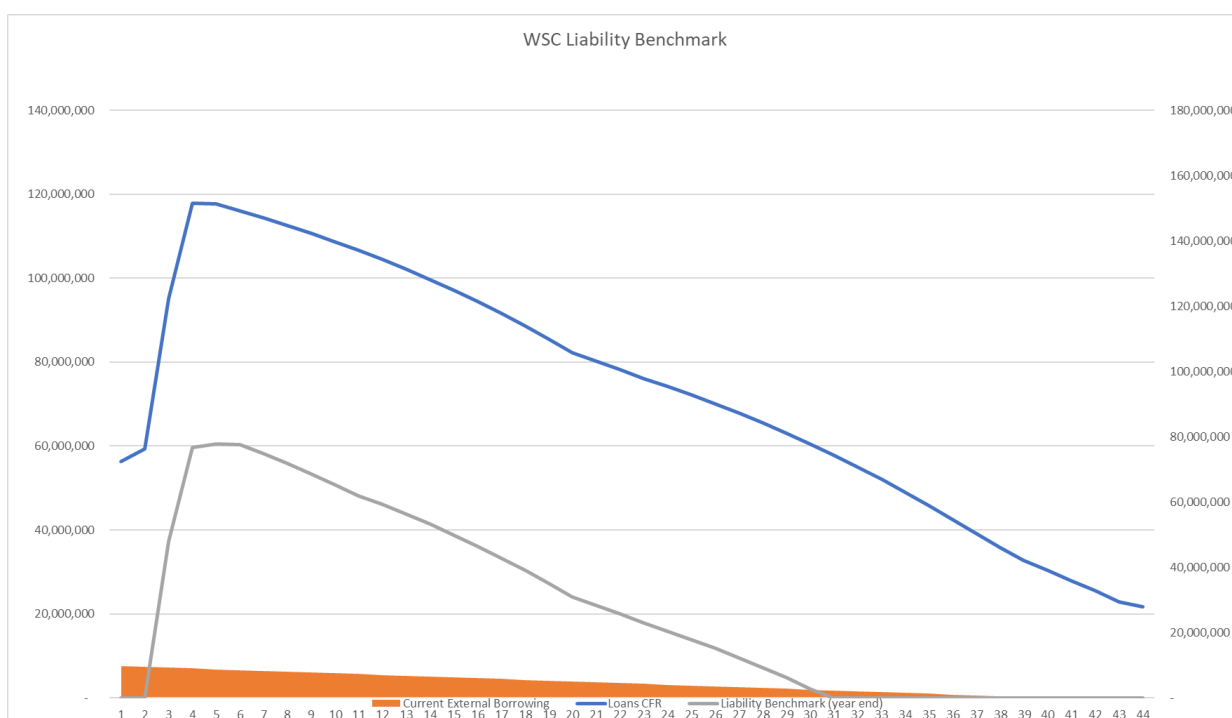
- 6.5 The affordability of borrowing and capital costs is a key metric in our financial planning and resilience assessments. Current and future financial affordability and resilience to such costs is key when evaluating any new opportunities. As set out in the approved West Suffolk Capital Strategy we are using the per cent of the Gross Revenue Income Budget for both MRP and Interest Payable to assess the Councils affordability position. In other words, how much (in percentage terms) of our gross revenue income budget is committed to servicing our external debt.
- 6.6 Whilst the budget for interest payable is derived from the business cases of each individual project, when borrowing actually occurs is a treasury management decision and is generally not directly linked to any specific project. It is therefore not feasible to match the interest payable the Council will actually incur to specific projects. The table below therefore gives an overall summary of forecast capital borrowing for 2023 to 2024 but does not split it out by project.

Summary of Forecast Capital Borrowing for 2023 to 2024			
External Borrowing	Internal Borrowing	Minimum Revenue Provision (MRP)	Interest Payable
£9,500,000	£49,872,449	£918,990	£178,905
Total Borrowing	£59,372,449	£1,097,895	
% of Gross Revenue Income		1.4%	0.3%

7. Liability Benchmark

7.1 One of the core tools the Council uses to determine when it might need to borrow additional external funds, and over what period is the Liability Benchmark. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

7.2 The graph below shows the Council’s liability benchmark (grey line) against the Council’s forecast capital financing requirement (blue line). The difference between these two lines is the forecast level of resources the Council is able to utilise as internal borrowing, therefore reducing the level of external borrowing required. The orange block shows the current external borrowing the Council has.



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

8. Borrowing and Income - Proportionality

- 8.1 The concept of proportionality, alongside that of affordability, is a key consideration when considering funding projects through borrowing.
- 8.2 The costs and risks associated with that borrowing should be looked at as part of the whole financial position of the council in our financial planning and resilience assessments. Awareness of the scale and relationship with the asset base and revenue delivery is essential to informed decision making.
- 8.3 As at 31 March 2023, the Councils asset base was valued at £261.9 million. As such the budgeted borrowing requirement of £93.42 million would have represented 35.67 per cent of our long-term asset base. The forecast borrowing requirement at the end of the financial year is £75.84 million, which represents 28.96 per cent of our long-term asset base. It is worth noting that the capital projects being undertaken would increase the overall asset base of the council, leading to the borrowing requirement being a smaller percentage of the asset base than detailed above.

9. Borrowing and Asset Yields

- 9.1 Borrowing, whether internally from available cash balances or externally from other institutions, bears a cost which will affect the yield of investments made with that money. The yield is the return on the investment, whether through additional income or savings, less the borrowing costs associated with the investment, against the value of the investment.
- 9.2 West Suffolk Council makes investment decisions to support its strategic priorities which are not solely focussed on financial return, in line with our agreed Investing in our Growth Agenda Strategy. There are therefore a range of yield returns delivered by these investments that varies from project-to-project dependant on the wider blended socio-economic returns that these projects give.
- 9.3 In order to aid comparison between projects and returns from 'normal' treasury management cash investment (section 2 above), the table below shows the income and net return from the current project portfolio.

2023/24 BUDGET	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£22.6	£15.3	£2.6	£2.1	£1.9	8.4%
Retail Units	£20.0	£2.8	£1.9	£1.6	£1.4	7.0%
Land	£11.8	£0.0	£1.0	£1.0	£1.0	8.4%

Solar Farm	£13.9	£1.7	£3.2	£2.0	£1.5	10.8%
Growth Fund		£12.1	£0.0	£0.0	£0.0	0.0%
Other		£61.5	£0.8	£0.5	£0.1	0.0%
TOTAL	£68.3	£93.4	£9.5	£7.2	£5.9	8.6%

2023/24 FORECAST	Asset Value £m	Borrowing £m	Annual Income £m	Net Return (Excl. Borrowing Costs *)	Net Return (Incl. Borrowing Costs)	Yield % (E/A)
	A	B	C	D	E	F
Industrial Units	£22.6	£0.0	£2.7	£2.1	£1.9	8.4%
Retail Units	£20.0	£0.0	£1.9	£1.6	£1.4	7.0%
Land	£11.8	£0.0	£1.1	£1.0	£1.0	8.5%
Solar Farm	£13.9	£0.0	£3.3	£2.1	£1.6	11.5%
Growth Fund		£0.0	£0.0	£0.0	£0.0	0.0%
Other		£9.5	£0.8	£0.4	£0.1	0.0%
TOTAL	£68.3	£9.5	£9.8	£7.2	£6.0	8.8%

The Growth Fund and Other categories are projects in progress and in some cases use of the funding will then translate into assets in the other categories (e.g. Industrial Units) as such comparison across these categories is not of value.

* Includes direct operating costs

10. Treasury Management Prudential Indicators

The Treasury Management Strategy Statement 2023 to 2024 detailed the treasury management prudential indicators that the Council measures and uses to manage its exposure to treasury management risks. **Appendix 1** has details of how the Council is performing against these indicators as at 31 December 2023.

11. Market Information

11.1 The Council's treasury management advisors provide economic and interest rate forecasts on a monthly basis. **Appendix 2** has details from this forecast from December 2023.

12. CIPFA Financial Resilience Index

12.1 CIPFA issue a Financial Resilience Index, which is a comparative analytical tool. It can be used to support good financial management

and provide a common understanding within a council of their financial position. **Appendix 3 (Exempt)** has details on how the Council performed during 2022 to 2023.

13. Background documents associated with this report

- 13.1 Capital Strategy 2023 to 2024, Treasury Management Strategy Statement 2023 to 2024 and Treasury Management Code of Practice.

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Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators, as set out in the Treasury Management Strategy Statement 2023 to 2024.

Performance against these indicators for December 2023 is detailed within each indicator below.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on the perceived risk.

Credit risk indicator	Target	Dec 23*
Portfolio average credit score	6.0	4.17

This target of 6.0 represents an average credit rating score across the portfolio of A, on the scale of AAA to unsecured.

*Due to the timing of this report, we have not had the updated score for our portfolio average credit score from our treasury advisors. The figure of 4.17 is from the last quarterly benchmarking report as at the end of September 2023. This represents an average credit rating across the portfolio of AA-, which is a higher rating than the target. It is unlikely that the score for December will be significantly different from that in September due to the similar nature of our investments.

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments on instant access, without additional borrowing.

Liquidity risk indicator	Target	Dec 23
Total cash available on instant access	£5 million	£6.25 million

As at the end of December 2023, West Suffolk had access to £6.25 million of cash available on instant access (i.e. it could get access to that cash on the same day). There is a balance of having enough cash available on instant access to meet unexpected payments, but not having too much in instant access that you are losing out on interest receipts.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit	Dec 23
Under 12 months	100%	0%	2.63%
12 months and within 24 months	20%	0%	2.63%
24 months and within 5 years	20%	0%	7.89%
5 years and within 10 years	20%	0%	13.16%
10 years and above	100%	0%	73.68%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

West Suffolk's current borrowing portfolio has a maturity structure which complies with the approved limits.

Long-term treasury management investments: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment if its investment. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2023 to 2024	2024 to 2025	2025 to 2026
Limit on principal invested beyond year end	£30 million	£30 million	£30 million

Price risk indicator	2023 to 2024	2024 to 2025	2025 to 2026
Amount invested beyond year end as at 31 December 2023	£18.5 million	£0	£0

Currently the that is invested beyond the end of the 2023 to 2024 financial year end is £18.5 million. £8 million of this is with Santander in a 365 day notice account. Notice was given on this account in June 2023 with these funds due to be returned to West Suffolk on 11 June 2024. The remaining amounts relate to investments which are maturing in April and May 2024 to cover known cash flow requirements. As we get closer to the end of the financial year, the amount invested beyond the year end will increase.

Arlingclose Economic and Interest Rate Forecast – December 2023

UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.

The Monetary Policy Committee (MPC) message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.

Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely Purchasing Managers' Index (PMI) figures suggest that the services sector is recovering from a weak quarter 3. Tighter policy will however bear down on domestic and external activity as interest rates bite.

Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.

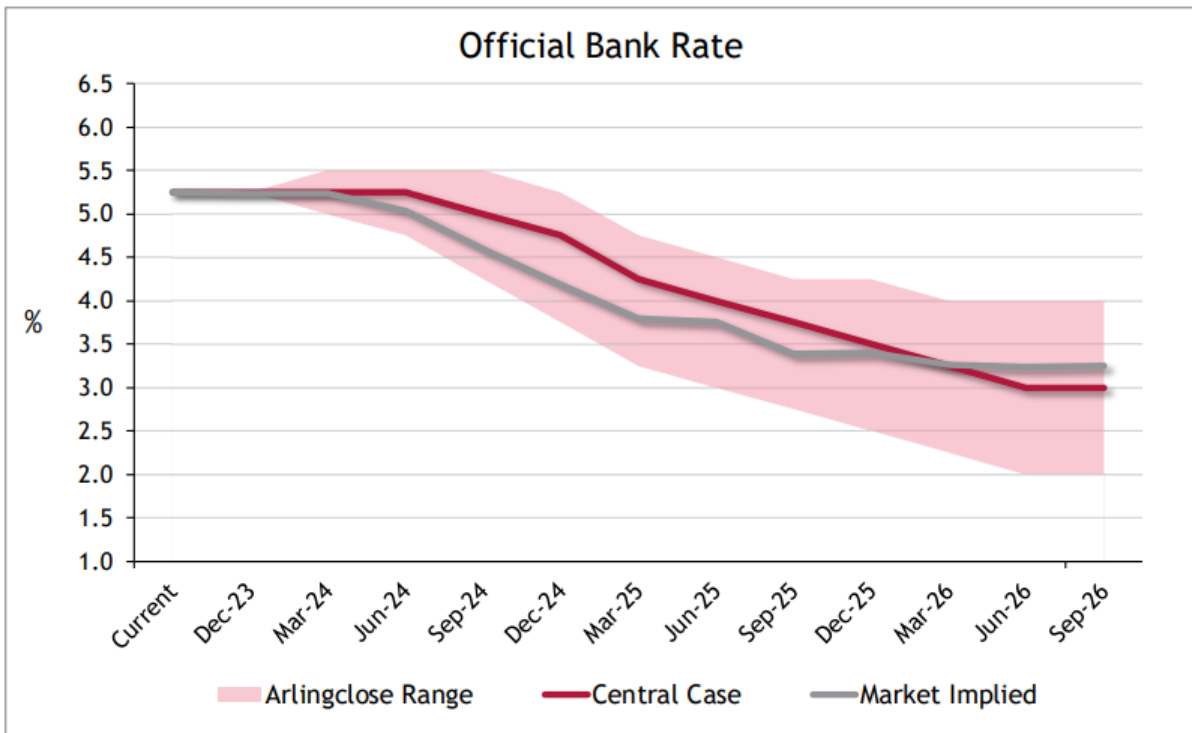
Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.

Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.

Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.

There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

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





Financial Resilience – Strategy Statement 2024 to 2025 and Treasury Management Code of Practice

Report number:	FRS/WS/24/002	
Report to and date(s):	Financial Resilience Sub-Committee	15 January 2024
	Performance and Audit Scrutiny Committee	25 January 2024
	Cabinet	6 February 2024
	Council	20 February 2024
Cabinet member:	Councillor Diane Hind Cabinet Member for Resources Email: diane.hind@westsuffolk.gov.uk	
Lead officer:	Gregory Stevenson Service Manager – Finance and Performance Tel: 01284 757264 Email: gregory.stevenson@westsuffolk.gov.uk	

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

Wards impacted: All

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

- 1. Make recommendations to Cabinet and Council regarding the approval of the Treasury Management Strategy Statement 2024 to 2025 (as set out in Appendix 1); and**
- 2. Make recommendations to Cabinet and Council regarding the approval of the Treasury Management Code of Practice (as set out in Appendix 2).**

1. Treasury Management Strategy Statement

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice requires that, prior to the start of each financial year, the Council formally approve a Treasury Management Policy Statement and Investment Strategy which sets out its treasury management policy and strategy for the forthcoming year.
- 1.2 The purpose of this report is to present those strategy statements to the Financial Resilience Sub-Committee for consideration.
- 1.3 The only significant change to the Treasury Management Strategy Statement for 2024 to 2025 is the addition of the UK Infrastructure Bank as a source of borrowing.

2. Treasury Management Code of Practice

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that all Councils adopt a Treasury Management Code of Practice based on the treasury management practices published by CIPFA and guidance issued in their Code of Practice.
- 2.2 Adherence to the principles of the CIPFA Code should ensure that Treasury Management activities within the Council are effectively managed and adequately controlled.
- 2.3 There are no significant changes to the Treasury Management Code of Practice for 2024 to 2025

3. Treasury Advisors

- 3.1 The Council currently uses Arlingclose Ltd as its treasury advisors and has done since November 2018. The current contract ends in the 2024 to 2025 financial year, and a procurement exercise will be undertaken to retender.
- 3.2 The Treasury Management Strategy Statement & Code of Practice have been compiled in line with advice from Arlingclose.

4. Borrowing Strategy

- 4.1 The Council currently (at 31 December 2023) holds £9.5 million of loans, an decrease of £0.25 million on previous years (due to the annual repayment of the PWLB loan), as part of its strategy for funding previous years' capital programmes. The Council expects to externally borrow in 2024 to 2025 to fund parts of its underlying need to borrow linked to its capital programme (past projects and future

projects). The Council may also borrow additional sums to pre-fund future years' requirements (to secure long term interest rate certainty), providing this does not exceed the authorised limit for borrowing.

- 4.2 The overall objective is to strike a balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. This will lead to a mixture of short term and longer term borrowing to take place, with advice being taken over the most advantageous mix with the view to keeping future interest costs low, even if this causes some additional cost in the short term.
- 4.3 The different sources of borrowing can be found in the Treasury Management Strategy Statement at Appendix 1.

5. Investment Strategy - Counterparty Ratings

- 5.1 The Council uses the Arlingclose credit rating method in conjunction with information available from other industry sources to identify suitable counterparties for investments. The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the limits shown.
- 5.2 Approved investment counterparties and limits:

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£10m	Unlimited
Secured investments *	3 years	£10m	Unlimited
Banks (unsecured) *	13 months	£6m	Unlimited
Building societies (unsecured) *	13 months	£6m	£30m
Registered providers (unsecured) *	3 years	£5m	£10m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£5m	£10m
Real estate investment trusts	n/a	£5m	£10m
Other investments *	3 years	£5m	£15m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

6. Interest Rate Projections

6.1 The following table shows the revised interest rate based on the current economic climate that form part of the Council’s treasury strategy for interest receivable on investments.

	Previous Strategy	New Strategy
2024 to 2025	3.25%	4.00%
2025 to 2026	2.25%	3.00%
2026 to 2027	1.50%	2.50%

6.2 Projections have increased from previous levels due to the continued increases in the Bank of England Base Rate during the 2023 to 2024 financial year. These levels drop in the future years due to market expectations of slight reductions in base rate over the next couple of years.

7. Implications arising from the proposals

7.1 Financial – contained in the main body of this report.

7.2 Legal compliance – The council has is required to have a Treasury Management Strategy Statement and Code of Practice.

7.3 Personal data processing/equalities/crime and disorder/changes to existing policies/environment or sustainability/HR or staffing/external organisations – no significant implications arising directly from this report.

8. Appendices

Appendix 1 – Treasury Management Strategy Statement 2024 to 2025

Appendix 2 – Treasury Management Code of Practice

West Suffolk Council

Treasury Management Strategy Statement 2024 to 2025

1 Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

2 Local Context

- 2.1 On 31st December 2023, the Council held £9.5 million of external borrowing, £47.6 million of internal borrowing and £55.75 million of treasury investments. This is set out in further detail at Appendix B.
- 2.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The table below details the forecast for the councils Capital Financing Requirement over the next 3 years.

Table 1: Capital Financing Requirement

	31 March 23 Actual £million	31 March 24 Estimate £million	31 March 25 Forecast £million	31 March 26 Forecast £million	31 March 27 Forecast £million
Capital Financing Requirement	56.31	59.37	95.02	117.90	117.63

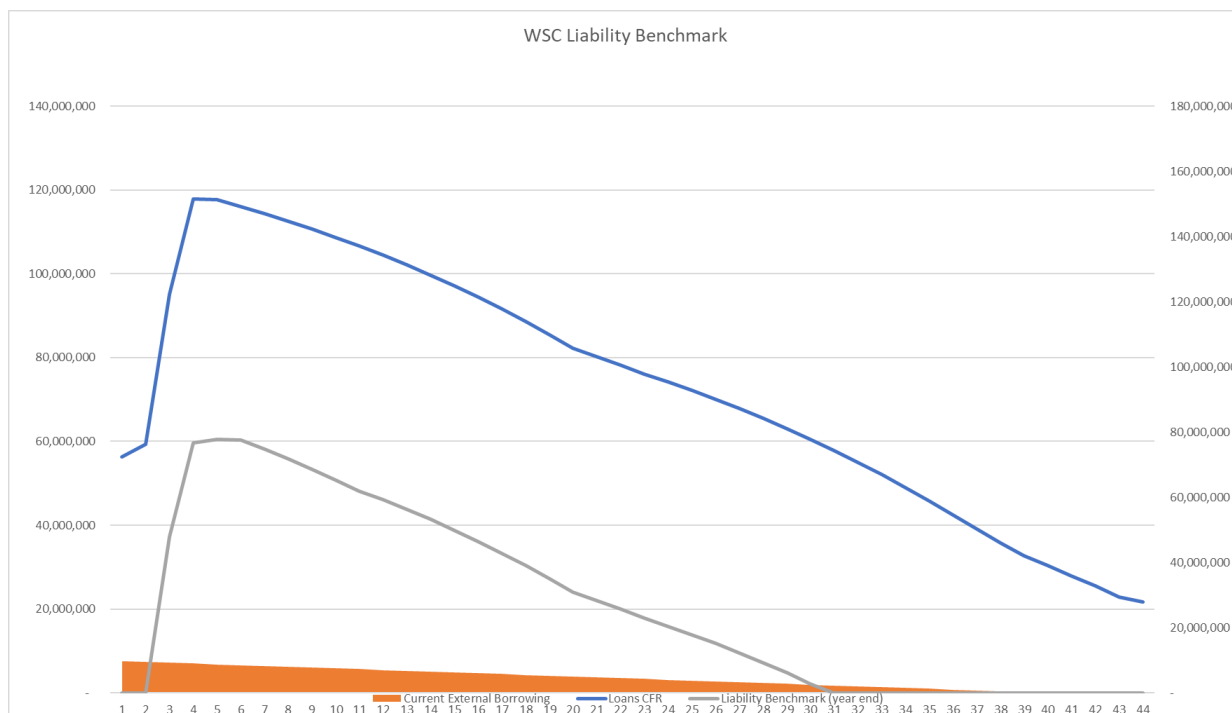
- 2.3 The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, whilst also looking to secure long term certainty of interest rates by fixing some borrowing externally when it is advantageous to do so. The Council will continue to monitor

this strategy in order to decide whether external borrowing to pre-fund future years requirements would better meet its borrowing objectives.

- 2.4 The Council has an increasing CFR due to the capital programme. Consequently, investment levels will continue to fall in future years, as capital receipts and revenue reserves are used to finance capital expenditure and the revenue budget.
- 2.5 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2024 to 2025.

3 Liability Benchmark

- 3.1 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.
- 3.2 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
- 3.3 The long-term liability benchmark assumes capital expenditure funded by borrowing of £0.5 million a year, minimum revenue provision on new capital expenditure based on a 40 year asset life and reserves maintaining their current levels. This is shown in the chart below together with the maturity profile of the Council's existing borrowing.



3.4 The Liability Benchmark graph above shows that the Council is likely to be a long-term borrower in the future. Although the Council's CFR is forecast to increase to £118 million by the 2025 to 2026 financial year (as shown by the higher line in the graph), the Liability Benchmark (the maximum amount the Council would likely need to borrow – shown by the lower line in the graph) peaks at £60 million. The difference between the two lines in the graph is the amount of internal resources the Council has which can be used for internal borrowing, negating the need for extra external borrowing which would place an additional cost on the Council. The block at the bottom of the graph represents the current external borrowing the Council has.

4 Borrowing Strategy

- 4.1 The Council currently holds £9.5 million of loans, a £0.25 million decrease on the previous year, as part of its strategy for funding previous years' capital programmes. If the Council's full capital programme is delivered then it expects to externally borrow in 2024 to 2025. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing detailed in the Council's Prudential Indicators.
- 4.2 **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

- 4.3 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. It is likely to be more cost effective in the short-term to use internal borrowing, however opportunities to fix longer term external borrowing will be explored in order to achieve long-term security at advantageous interest rates.
- 4.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly to confirm that this is still the most advantageous strategy. Arlingclose will assist the Council with this and it may be determined that the Council borrows additional sums at long-term fixed rates in 2024 to 2025 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.5 The Council's default position is to raise the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to seek activity which will not obstruct its access to PWLB loans.
- 4.6 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.7 In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.
- 4.8 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - UK Infrastructure Bank Ltd
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except the Suffolk County Council Local Government Pension Scheme)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

- 4.9 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
 - similar asset based finance
- 4.10 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 4.11 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).
- 4.12 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5 Treasury Investment Strategy

- 5.1 The Council holds significant level of invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £43 million and £58 million. If the Council's capital programme is delivered in full, these investment balances are expected to reduce in the forthcoming year.
- 5.2 **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments

before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

- 5.3 **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.
- 5.4 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 5.5 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore this strategy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code, as advised by the Council's treasury management advisors.
- 5.6 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the limits shown.

Table 2: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£10m	Unlimited
Secured investments *	3 years	£10m	Unlimited
Banks (unsecured) *	13 months	£6m	Unlimited
Building societies (unsecured) *	13 months	£6m	£30m
Registered providers (unsecured) *	3 years	£5m	£10m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£5m	£10m
Real estate investment trusts	n/a	£5m	£10m
Other investments *	3 years	£5m	£15m

This table must be read in conjunction with the notes below

* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

5.7 For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

5.8 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 3 years.

- 5.9 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 5.10 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.11 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.12 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.13 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.14 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price

reflects changing demand for the shares as well as changes in the value of the underlying properties.

- 5.15 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 5.16 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank. However, amounts in excess of £1 million may be held for up to five consecutive days to cover planned cashflow requirements. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 5.17 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.18 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.19 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation

if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

- 5.20 **Reputational aspects:** The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.
- 5.21 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 5.22 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £41.1 million on 31 March 2024 and £40.8 million on 31 March 2025. In order that no more than 40% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £12 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 5.23 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1.5 million in operational bank accounts count against the relevant investment limits.
- 5.24 **Liquidity management:** The Council uses a purpose-built cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.
- 5.25 The Council will spread its liquid cash over available providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

6 Treasury Management Prudential Indicators

- 6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

- 6.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	6.0

- 6.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments on instant access, without additional borrowing.

Liquidity risk indicator	Target
Total cash available on instant access	£5m

- 6.4 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	90%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	90%	0%

- 6.5 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 6.6 **Long-term treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024 to 2025	2025 to 2026	2026 to 2027
Limit on principal invested beyond year end	£40m	£25m	£25m

- 6.7 Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

7 Related Matters

- 7.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.
- 7.2 **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 7.6 **External Funds:** The Council does not hold external funds on behalf of other organisations.
- 7.7 **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Resources and Property / Chief Financial Officer believes this to be the most appropriate status.

8 Financial Implications

- 8.1 The budget for investment income in 2024 to 2025 is £1,080,000, based on an average investment portfolio of £27 million at an interest rate of 4.00 per cent. The budget for debt interest paid in 2024 to 2025 is £1,581,300. Please note, these figures are provisional budget figures and may be subject to change during the budget setting approval process.
- 8.2 If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.
- 8.3 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then the revenue savings may be transferred to the Council's capital projects financing reserve to cover the risk of capital losses or higher interest rates payable in future years.

9 Other Options Considered

- 9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources and Property/Chief Finance Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-

		term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Existing Investment & Debt Portfolio Position

Investments held as at 31 December 2023				
Counterparty	Principal Amount (£)	Interest Rate	Date Loaned	Date Returned
Santander 365 Day notice	8,000,000	4.91%	01/04/23	11/06/24
Santander 95 Day notice	500,000	4.73%	01/04/23	95 day Notice
Lloyds Treasury Account	2,250,000	4.55%	01/04/23	On call availability
Barclays 32 Day notice	2,000,000	5.20%	20/11/23	32 day notice
CCLA Money Market Fund	4,000,000	Variable	01/04/23	On call availability
HM Debt Man. Office	3,000,000	5.450%	24/08/23	23/02/24
HM Debt Man. Office	3,000,000	5.240%	02/10/23	19/01/24
HM Debt Man. Office	3,000,000	5.240%	02/10/23	15/01/24
HM Debt Man. Office	4,000,000	5.260%	02/10/23	15/02/24
HM Debt Man. Office	2,000,000	5.220%	13/10/23	22/01/24
HM Debt Man. Office	6,000,000	5.200%	01/11/23	19/02/24
HM Debt Man. Office	3,000,000	5.205%	01/11/23	15/03/24
HM Debt Man. Office	3,000,000	5.200%	10/11/23	15/04/24
HM Debt Man. Office	5,000,000	5.200%	01/12/23	25/04/24
HM Debt Man. Office	5,000,000	5.185%	01/12/23	19/03/24
HM Debt Man. Office	2,000,000	5.190%	20/12/23	15/05/24
There were no other fixed term investments				
Total	55,750,000			

External Borrowing as at 31 December 2023				
Counterparty	Outstanding Balance (£)	Interest Rate	Start Date	Maturity Date
PWLB	9,500,000	1.840%	03/12/21	01/12/61

Appendix B - External Context

Economic Background

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024 to 2025.

The Bank of England (BoE) increased Bank Rate to 5.25 per cent in August 2023, before maintaining this level in September, November and then again in December. Members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25 per cent in December. The three dissenters wanted to increase rates by another 0.25 per cent.

Office for National Statistics (ONS) figures showed Consumer Price Index (CPI) inflation was 3.9 per cent in November 2023, down from 4.6 per cent in October and lower than the 4.3 per cent expected. Core CPI inflation also fell to 5.1 per cent from 5.7 per cent, and lower than the 5.6 per cent expected

Office for National Statistics figures showed the UK economy shrank by 0.1 per cent between July and October 2023 (Quarter 3). Indicators are pointing to a weak quarter 4, with a drop in monthly Gross Domestic Product (GDP) in October of -0.3 per cent. This increases the likelihood of a technical recession (two consecutive quarters of negative growth), albeit a mild one.

The labour market in late 2023 showed signs of loosening. The unemployment rate remained stable at 4.2 per cent in the three months to October 2023. Pay growth indicators, while still elevated, showed a decline.

Having increased its key interest rate to a target range of 5.25 to 5.50 per cent in August 2023, the US Federal Reserve paused in September and November, maintaining the Fed Funds rate target at this level. It is likely this level represents the peak in US rates, but central bank policymakers emphasised that any additional tightening would be dependent on the cumulative impact of rate rises to date, together with inflation and developments in the economy and financial markets.

US GDP grew at an annualised rate of 4.9 per cent between July and September 2023, ahead of expectations for a 4.3 per cent expansion and the 2.1 per cent reading for quarter 2. But as the impact from higher rates is felt in the coming months, a weakening of economic activity is likely. Annual CPI inflation remained at 3.7 per cent in September after increasing from 3 per cent and 3.2 per cent consecutively in June and July.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.9 per cent in October 2023. Economic growth has been weak, and GDP was shown to have contracted by 0.1 per cent in the three months to September 2023. In line with other central banks, the European Central Bank has been increasing rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75 per cent, 4.25 per cent and 4.50 per cent respectively.

Credit Outlook

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in quarter 2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest Rate Forecast (December 2023)

Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25 per cent. The Bank of England's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there

will be no lingering second-round effects. Arlingclose sees rate cuts from quarter 3 2024 to a low of around 3 per cent by early to mid 2026.

Arlingclose expects long-term gilt yields to be flat from current levels (following a drop in yields at the end of 2023). However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix C.

Appendix C – Arlingclose Economic & Interest Rate Forecast – December 2023

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The Monetary Policy Committee (MPC) message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely Purchasing Managers' Index (PMI) figures suggest that the services sector is recovering from a weak Quarter 3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium- term level for Bank Rate.
- There is a heightened risk of fiscal policy and / or geo-political events causing substantial volatility in yields.

Forecast

- The MPC held Bank Rate at 5.25 per cent in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Quarter 3 2024 to a low of around 3 per cent by early to mid 2026.

- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00 per cent

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80 per cent

PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40 per cent

UK Infrastructure Bank Rate (Maturity Loans) = Gilt yield + 0.40 per cent

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Treasury Management

Code of Practice

Introduction

This Treasury Management Code of Practice has been compiled in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017 ("the CIPFA Code") and aligned with CIPFA TM Code 2021.

Adherence to the principles of the CIPFA Code should ensure that Treasury Management activities within the Council are effectively managed and adequately controlled.

This Treasury Management Code of Practice has been written in conjunction with the Council's Treasury Management Policy Statement and Investment Strategy 2023 to 2024.

Section 4H paragraphs 8.1 to 8.5 of the Council's Constitution also contains information regarding Treasury Management procedure rules, these are in line with this Code.

Definitions

For the purposes of this Code, "Treasury Management Activities" is defined as:

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

'Investments' in the definition above covers all the financial assets of the Council, as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of the normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under this Code.

Purpose of the CIPFA Code

CIPFA produced the Code and the accompanying guidance notes to help satisfy nine main purposes:

- To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.
- To emphasise the overriding importance of effective risk management as the foundation for treasury management in all public service bodies.
- To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
- To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.

- To enable CIPFA Members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
- To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
- To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

Treasury Management Practices

The following Treasury Management Practices (TMPs) are incorporated in the Treasury Management Code of Practice in accordance with CIPFA Guidance:

TMP 1	Risk management
TMP 2	Performance measurement
TMP 3	Decision making and analysis
TMP 4	Approved instruments, methods and techniques
TMP 5	Organisation, clarity and segregation of responsibilities and dealing arrangements
TMP 6	Reporting requirement and management information arrangements
TMP 7	Budgeting, accounting and audit arrangements
TMP 8	Cash and cash flow management
TMP 9	Money laundering
TMP 10	Training and qualifications
TMP 11	Use of external service providers
TMP 12	Corporate governance

TMP 1 Risk Management

General Statement

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures will cover all external investments.

The Section 151 Officer or Deputy Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the

procedures set out in TMP6 Reporting requirements and management information arrangements.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

1. **Credit and Counterparty Risk Management**

Definition: The risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited and will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

2. **Liquidity Risk Management**

Definition: The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business / service objectives will thereby be compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/services objectives.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

3. **Interest Rate Risk Management**

Definition: The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should

be subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

The Council also has an interest equalisation reserve which, if necessary, can be used to help smooth out the level of interest received due to fluctuations in interest rates.

4. **Exchange Rate Risk Management**

Definition: The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

5. **Inflation Risk Management**

Definition: Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the Council's inflation exposures.

6. **Refinancing Risk Management**

Definition: The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure where applicable that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

7. **Legal and Regulatory Risk Management**

Definition: The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance

with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(1) credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, Council and compliance in respect of the transactions they may affect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

8. **Fraud, Error and Corruption, and Contingency Management**

Definition: The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements to these ends. Further information regarding this is set out in the schedule to this document.

9. **Price Risk Management**

Definition: The risk that, through adverse market fluctuations in the value of the principal sums an organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

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

TMP 2 Performance Management

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of

service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TMP 3 Decision-Making and Analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purpose of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TMP 4 Approved Instruments, Methods and Techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where this Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MiFID II and keeps a record of those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer or Deputy Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirement and management information arrangements, and the implications properly considered and evaluated.

The Section 151 Officer or Deputy Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury

management, and the arrangements for absence cover. The Section 151 Officer or Deputy Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed within this document.

The Section 151 Officer or Deputy Section 151 Officer will ensure there is proper documentation for all deals and transactions and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the Section 151 Officer or Deputy Section 151 Officer in respect of treasury management are set out within this document. The Section 151 Officer or Deputy Section 151 Officer will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP 6 Reporting Requirements and Management Information Arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, full Council will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The body responsible for scrutiny, such as an audit or scrutiny committee, will have the responsibility for the scrutiny of treasury management policies and practices.

Local authorities should report the treasury management indicators as detailed in their sector-specified guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

TMP 7 Budgeting, Accounting and Audit Arrangements

The Section 151 Officer or Deputy Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques.

The Section 151 Officer or Deputy Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

TMP 8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the Section 151 Officer or Deputy Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer or Deputy Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 (2) liquidity risk management, further information regarding this is set out in the schedule of this document.

TMP 9 Money Laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained.

Any suspicions of money laundering activities would be reported to the Internal Audit Manager who is the Money Laundering Reporting Officer (MLRO) or the Senior Auditor who is the Deputy Money Laundering Reporting Officer.

TMP 10 Staff Training and Qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer or Deputy Section 151 Officer will recommend and implement the necessary arrangements.

The Section 151 Officer or Deputy Section 151 Officer will ensure that the Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the supporting schedule of this document.

TMP 11 Use of External Service Providers

The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented, and subjected to regular review. Where services are subject to formal procurement arrangements, legislative requirements will always be observed. The monitoring of such arrangements rest with the Section 151 Officer or Deputy Section 151 Officer, and details of the current arrangements are set out in the schedule to this document.

TMP 12 Corporate Governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer or Deputy Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Investments that are not part of the Treasury Management Activity

Where, in addition to treasury management investment activities, the Council invests in other financial assets and property primarily for financial return, these investments should be proportional to the level of resources available to the organisation and the organisation should ensure that the same robust procedures for consideration of risk and return are applied to these decisions.

Management practices for non-treasury investments.

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activities include loans supporting services outcomes, investments in subsidiaries, and investment property portfolios.

The Council will ensure that all council investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will recognise that the risk appetite for these activities may differ from that for treasury management.

The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

The Council's Capital and Investment Strategies are held as separate documents and are available on our website.

Supporting Schedules to the Treasury Management Practices (TMPs)

Risk Management (TMP1)

Credit and Counterparty Policies Risk Management – TMP1(1)

The Council currently holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council’s investment balance has ranged between £43 million and £58 million. During 2024 to 2025 and in future years, due to the Council’s Capital Programme, these levels are expected to fall.

Objectives: The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: In the event of negative interest rates, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term, low risk instruments.

The CIPFA Code does not permit local councils to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£10m	Unlimited
Secured investments *	3 years	£10m	Unlimited
Banks (unsecured) *	13 months	£6m	Unlimited
Building societies (unsecured) *	13 months	£6m	£30m
Registered providers (unsecured) *	3 years	£5m	£10m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£5m	£10m
Real estate investment trusts	n/a	£5m	£10m
Other investments *	3 years	£5m	£15m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £6 million per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Council’s revenue reserves available to cover investment losses are forecast to be £41.1 million on 31 March 2024 and £40.8 million on 31 March 2025. In order that no more than 40 per cent of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £12 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1.5 million in operational bank accounts count against the relevant investment limits.

Liquidity Risk Management - TMP1(2)

Liquidity management

The Council uses a purpose-built cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over available providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Approved Minimum Cash Balances and Short-Term Investments

In order to maintain the position of the Council, in terms of liquidity, the following limits have been set: -

- ◆ Daily treasury management procedures will aim to maintain a forecast consolidated balance in the region of £50,000 to £1 million. However, balances over £1 million may be retained in the Council's current account to be used to cover payments going out provided the limit is not exceeded for more than five consecutive working days.
- ◆ If two internally managed investments are being placed on the same day with different maturity dates, one counterparty may be used for the two investments even if the investment per cent rate offered on one of the investments is not the highest rate and the subsequent loss of interest incurred does not exceed the pre-set limit of £50.00 on that one investment. However, the counterparty in question must be willing to accept the two investments as one CHAPS payment.
- ◆ In order to meet the cash flow requirements of the Council, a Treasury Deposit Account is held with our current bankers that is used to hold up to £10 million to cover any large, planned expenditure. This account has been established as a replacement for the overdraft facility that was cancelled as a result of increasing standing charges.

Standby Facilities / Call Accounts

The Council also holds instant access / call accounts with the following institution/s:

- CCLA

Overdraft Arrangements

Although no overdraft arrangements are currently in place, the Council would have the opportunity to re-instate the facility with the Council's bankers with a net limit of £1 million. Interest will be charged at 2 per cent above the Bank's Base Rate should the need arise.

The Bank also operates a **Daylight Exposure Limit** (also known as the Settlement Risk Exposure), which allows the consolidated bank accounts can be overdrawn during the course of the working day; the limit is set at £25 million. The daylight exposure limit is intended to cover any crossover periods during the day when large payments have to be made from the Council's bank accounts, but the expected credits may not be received until later in the day.

The daylight exposure limit only covers CHAPS payments.

Short & Long Term Borrowing Facilities

There is a borrowing limit that is set by the Council each year in accordance with the Local Government Act 2003. The limit is a specific indicator within the Council's

Prudential Code which is reviewed annually in accordance with the code/best practice and is approved by Full Council.

Should the need for further borrowing prove necessary, or appropriate for strategic purposes, provided the limit is within the prudential indicator, then arrangements would be made in accordance with the code.

Interest Rate Risk Management – TMP1(3)

The Council will manage its exposure to fluctuations in interest rates with a view to securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved investment instruments, methods and techniques, primarily to create stability and certainty of revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

The Council also has an interest equalisation reserve which, if necessary, can be used to help smooth out the level of interest received due to fluctuations in interest rates.

Exchange Rate Risk - TMP1(4)

This is the risk that fluctuations in foreign exchange rates may create an unexpected, or unbudgeted, burden on the Council's finances. In order to mitigate this risk, the Council's investments are restricted to sterling, however, it does have access to real-time market advice from its external advisors which will enable it to assess any potential risks arising and to take any necessary action.

Inflation Risk Management TMP1 (5)

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the Council as an integral part of its strategy for managing its overall exposure to inflation.

It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.

Refinancing Risk Management - TMP1(6)

The Council holds reliable and accurate records of the terms and maturities of its borrowings (where applicable) to enable it to plan the timing of, and successfully negotiate appropriate terms for its refinancing, if required.

Legal and Regulatory Risk Management – TMP1(7)

The regulations and statutory provisions or any statutory amendment, regarding enactment or modification thereof, under which Treasury Management investments are performed would include: -

- ◆ Local Government Act 1972 (taking account of the Trustee Investment Act 1961).
- ◆ The Local Government Act 1989.
- ◆ Local Authorities (Capital Finance) Regulations 1990 (SI 1990 No. 426) as amended.
- ◆ Local Authorities (Capital Finance) (Approved Investments) (Amendment) Regulations 1990 (SI 1991 No. 501). This SI was one of many which amended SI 1990 No. 426 above.
- ◆ The Local Authorities (Contracting Out of Investment Functions) Order 1996 (SI 1996/1883).

The regulations and statutory provisions under which Treasury Management borrowing is performed would include: -

- ◆ The Local Government and Housing Act 1989 (including sections 43, 45 and 46 of that Act).
- ◆ The Public Works Loan Board Acts 1965 and 1967.
- ◆ The Local Authorities (Borrowing) Regulations 1990 (SI 1990/767) as amended by the Local Council (Borrowing) (Amendment) Regulations 1991 (SI 1991/551).
- ◆ The Local Government Act 2003.

Treasury Management procedures will be updated to accommodate any new legislative provisions.

It is recognised that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Fraud, Error and Corruption, and Contingency Management – TMP1(8)

Fraud and Error

The Council recognises that there is a risk of fraud or error occurring through the performance of the Treasury Management function. Consequently, procedures are in place to ensure control over the organisations with which the Council invests (see Credit and Counterparty Risk Management), and to ensure there is an adequate segregation of duties.

The Council now uses an internet based banking system in connection with the Treasury Management function, however access to this is tightly controlled and the security and integrity of the site/system is managed by the Council's bankers Lloyds Bank Plc (a separate procedure manual details the system, procedures and emergency

/ contingency arrangements applicable in terms of making payments, and obtaining treasury information is available).

Treasury information may be made available on the Councils website however care will be exercised to ensure that no sensitive Treasury information is published through such arenas.

The Council has an "Anti-fraud Policy" and "Whistle-blowing procedures" that identify measures to control the risk of fraud by staff and Members. These can be found in the Internal Audit section of the Council's website.

Internal Audit undertake an annual audit review of the Treasury Management system and assess the effectiveness of controls implemented to prevent or detect fraud and error.

Shortfall of Funds

Should the Council suffer an unforeseen shortfall of funds, the nature of the position should be discussed with the Section 151 Officer or the Deputy Section 151 Officer.

Dependent on the nature of the shortfall, it may be necessary to negotiate terms with the Councils bankers to cover the shortfall, or to loan money from a Broker.

Insurance

The Council holds insurance, which covers loss of money or property belonging to the Council or for which they are legally responsible, resulting from any act of fraud or dishonesty of its employees, discovered during the period of insurance or within 24 months of the expiration.

All employees are covered by the policy, with the following limits being applicable: -

Six Designated Resources and Performance Staff (responsible for Treasury management)	£5 million
All other staff	£500,000

The Resources and Performance posts insured for the Treasury Management value of £5 million are as follows: -

- Director - Resources and Property
- Service Manager – Finance and Procurement
- Projects and Capital Manager
- Business Partner - Capital
- Team Leader (Treasury and Insurance)
- Finance Business Support Officer (Treasury and Insurance)

Price Risk Management - TMP1(9)

The Council mitigates this risk through the use of market advice from its External Fund Managers and through a monthly review of the credit ratings.

Methodology Applied to Evaluate the Impact of Treasury Management Decisions

The Council invests its funds in fixed term deposits, bonds, pooled funds and with other Local Authorities, a proportion of which are short term (to meet cash flow requirements) and the remaining of which are invested for periods determined by the Council, in conjunction with its external fund managers, to meet its longer term requirements.

Political Risks and the Management Thereof

There are cycles of political change at both national and local levels. An overview of the political situation at both levels will be maintained, so that any likely political risks can be identified at the earliest opportunity, with a view to addressing any issues proactively at a corporate management level

Performance Measurement – TMP2

A monthly statement is produced, for each of the Councils investment categories, showing the average rate of return for each category, this is compared to/monitored against the target interest rate projection.

The average rate calculations are weighted in order to take account of the value and duration of investments, in order to ensure an accurate rate of return is produced.

Benchmarking of the Council's return is also undertaken via our advisors Arlingclose Ltd.

Decision Making and Analysis - TMP3

Funding

Funding of the Council's capital expenditure is dealt with in a report to the Council prior to the commencement of each financial year.

A five-year capital programme is presented to Council, for General Fund capital expenditure, along with the financing proposals.

Projections are carried out annually (and prior to the inclusion of any new capital projects) to ensure that sufficient finance is available to meet the Councils capital expenditure requirements.

Revenue funding is dealt with through the Revenue Budget and Council Tax setting process.

Borrowing

There is a borrowing limit that is set by the Council each year in accordance with the Local Government Act 2003. The limit is a specific indicator within the Councils Prudential Code which is reviewed annually in accordance with the code/best practice and is approved by full Council.

Should the need for further borrowing prove necessary, or appropriate for strategic purposes, provided the limit is within the prudential indicator, then arrangements

would be made in accordance with the code. If the need to borrow exceeds the limit set in the prudential indicator, approval will be sort from full Council.

Policy on Interest Rate Exposure

The Policy on interest rate exposure is now dealt with through the Prudential Code in accordance with the Local Government Act 2003. The limits that are being recommended to Council for 2024 to 2025 are being considered and will be reported to Council as part of the Prudential Code update.

Sources of Borrowing

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Suffolk County Council Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar assets based finance

Processes / Records to be Held

When a loan / investment is received / made, the following procedures should be followed, and records held:

Complete a quotation sheet, three quotes for suitable counterparties or comparative quotes if using alternative investment vehicles to be obtained. Recommendation to be signed off by the Assistant Director - Resources and Performance or duly authorised Officer.

Note: under the current circumstances the requirement to obtain three quotes for investments has been temporarily suspended, with investments with the DMO the preferred choice for security of investment.

Enter the full details into the Treasury Investment spreadsheet.

The amount of the loan/investment must also be entered on the cash flow spreadsheet, if it is for a fixed term, also enter the amount as a receipt in the cash flow spreadsheet on the maturity date.

When the counterparty's confirmation note is received, check the details with the Treasury Investment spreadsheet.

All documentation relating the transaction must be scanned into the appropriate folder and paper copies filed accordingly.

Organisation Clarity and Segregation of Responsibilities, and Dealing Arrangements – TMP5

Introduction

The Section 151 Officer and / or Deputy Section 151 Officer has delegated responsibility for the execution and administration of treasury management decisions.

The Section 151 Officer and / or Deputy Section 151 Officer may delegate their treasury management responsibilities to members of their staff. Details of these arrangements are set out below.

Authorised treasury signatories of the Council will be permitted to sign documentation relating to the Council's borrowings and investments.

The daily treasury management routines to be followed are available on request. These procedures will be maintained and reviewed annually.

Delegated Powers and Responsibilities

The Cabinet / Full Council is responsible for:

- ◆ Adoption of the revised CIPFA Treasury Management Code and Treasury Management Policy.
- ◆ Receiving, commenting on, and approval of the Annual Treasury Management and Investment Strategy Statements (prior to the commencement of the financial year).
- ◆ Receiving and commenting on an annual report on treasury management activity for the preceding financial year as soon as possible after the end of the financial year, but in any case by the end of September.
- ◆ Receiving and commenting on other periodic reports on the treasury management function and its performance during the year.
- ◆ Approval of the Prudential Indicators, Authorised Borrowing Limit and Operational Boundary for borrowing.

The Director (Resources & Property) (Section 151 Officer) is responsible for:

- ◆ Ensuring compliance with the treasury management policy statement and that the policy complies with the law.
- ◆ Carrying out regular reviews of the treasury management function.
- ◆ Ensuring that any variations to the treasury policy or the internal practices fully comply with the law and the code of practice.
- ◆ Ensuring that there is an adequate internal audit function.
- ◆ Liaising with the Deputy 151 Officer on treasury management decisions.
- ◆ Making long term investment decisions in accordance with the approved policy.
- ◆ Deciding on funding and short-term policies for the ensuing year.
- ◆ Deciding on lending and investment policies for the ensuing year.
- ◆ Advising the Council on the acceptability and characteristics of treasury instruments.

- ◆ Establishing the vires of the proposed action and the instruments to be used.
- ◆ Ensuring that the organisation of the treasury management function is adequate to meet current requirements and that there is an appropriate division of duties.
- ◆ Assessing and appointing brokers / advisors / external fund managers.
- ◆ Reporting to elected members and advising the monitoring officer where that is appropriate.
- ◆ Re-determining treasury management strategy in the light of forecast changes in the economy and reporting it to members at the appropriate time.
- ◆ Approving changes to counterparty credit limits, in consultation with the Portfolio Holder for Performance and Resources.
- ◆ Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.

The Service Manager - Finance & Procurement / Deputy Section 151 Officer / Projects and Capital Manager is responsible for:

- ◆ Reviewing the annual Treasury Management Statement and Code of Practice.
- ◆ Overall management of the Treasury function.
- ◆ Deputising for the Assistant Director (Resources and Performance) in his/her absence for matters relating to the treasury management function.
- ◆ Monitoring adherence to approved policy by treasury management team.
- ◆ Ensuring that an appropriate division of duties is in place and that all staff are properly trained to carry out the required duties.
- ◆ Making recommendations regarding:
 - the appointment of brokers
 - the organisation of the treasury management function
 - funding and short-term policies
 - lending and investment policies
 - acceptability and characteristics of treasury instruments
 - the vires of proposed action and the instruments to use.
- ◆ Reviewing the performance of the treasury management function at least twice a year.
- ◆ Ensuring that all treasury staff are aware of and have access to the Financial Conduct Council handbook of rules and guidance which is available on the FSA website.
- ◆ Ensuring that the day to day activities accord with the Treasury Management Statement.
- ◆ Ensuring compliance with policies, limitations and directions.
- ◆ Monitoring performance of brokers employed.
- ◆ All recording and administrative functions complying with the system and procedures laid down in the treasury management document.
- ◆ Reviewing regular performance reports.

The Team Leader (Treasury and Insurance) is responsible for:

- ◆ Overseeing the daily treasury management function.
- ◆ Ensuring that the treasury management procedures and practices are regularly reviewed and adhered to.
- ◆ Preparing the draft Treasury Management Statement.
- ◆ Producing regular performance reports.
- ◆ Monitoring performance of brokers employed.
- ◆ Deputising for the Projects and Capital Manager in his/her absence for matters relating to the treasury management function.

The Finance Business Support Officer is responsible for:

- ◆ Dealing with the money market, complying with the systems and procedures laid down in the treasury management document.
- ◆ Updating of daily cash flow.
- ◆ Ensuring that properly authorised transactions are actioned in a timely manner.
- ◆ Reconciling treasury management transactions on a monthly basis.
- ◆ Deputising for the Team Leader (Treasury and Insurance) in his/her absence for matters relating to the treasury management function.

The Internal Audit Manager is responsible for:

- ◆ Reviewing compliance with the approved policy and procedures on treasury management.
- ◆ Reviewing the division of duties and operational practices.
- ◆ Assessing value for money from treasury activities.
- ◆ Undertaking probity audit of treasury function.
- ◆ Reporting and monitoring of Money Laundering activities.

The Chief Executive is responsible for:

- ◆ Ensuring that the system is laid down and resourced.
- ◆ Ensuring that the Section 151 Officer or Deputy Section 151 Officer reports regularly to elected Members on treasury policy, activity and performance.

The Monitoring Officer is responsible for:

- ◆ Ensuring compliance by the Section 151 Officer or Deputy Section 151 Officer with the treasury policy and that the policy complies with the law.
- ◆ Satisfying himself / herself that any proposal to vary treasury policy or practice complies with the law.
- ◆ Advising the Section 151 Officer or Deputy Section 151 Officer where their advice is sought.

Use of External Brokers/Advisors/Fund Managers

The Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external advisors and / or fund managers to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

Bankers

The Council's bankers are Lloyds Bank Plc.

Long Term Borrowing (Public Works Loan Board)

The officers, authorised to obtain loans with the Public Works Loan Board (once full Council approval has been received), are as follows:

- Director - Resources and Property (Section 151 Officer)
- Service Manager – Finance and Procurement (Deputy Section 151 Officer)

- Projects and Capital Manager
- PPC Manager

Investment Direct Dealing Practices

Where there are sufficient funds available to justify an investment, three quotations are obtained from the organisations on the approved list.

It is essential to ensure that when selecting these organisations from the approved list, the investment limits of the organisations are not exceeded.

Three quotations ensure that the best rate is obtained on the investment, indicative quotes may be used when alternative investment vehicles are utilised.

Note: under the current circumstances the requirement to obtain three quotes for investments has been temporarily suspended, with investments with the DMO the preferred choice for security of investment.

Policy on Taping of Conversations

The Council has no facilities for recording dealing and is therefore reliant on any recordings of conversations relating to dealing held by the institutions with which it deals.

Settlement Transmission Procedures

Before transmission of a payment to the investment organisation, a payment voucher is completed with the details of the organisations name, sort code (and where appropriate, their account number), details of the period of the investment, the interest rate achieved and the amount to be invested.

Before any payments can be transmitted, 2 independent authorisations are required on the banking system.

Documentation Requirements

There are spreadsheets in place to record all aspects of treasury management and investment. These spreadsheets are reconciled, independently checked and signed on a monthly basis.

The use of email instructions and electronic signatures has been approved for all Treasury transactions.

Reporting Requirements and Management Information Arrangements – TMP6

The nature and frequency of reporting are covered in Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements.

Four Treasury Management reports will be made to Council each financial year, the Treasury Management and Annual Investment Strategy Statement Report, the Treasury Management Monitoring Report, the Treasury Management Annual Report, and the report on the Prudential Indicators.

In addition, further reports will be presented to Council for the approval of revisions to the Treasury Management Code of Practice, and to seek approval for any revisions to the approved Treasury Management Strategy, Prudential Indicators and any additions or deletions from the approved list of organisations for investments.

All reports must be approved by Council.

Reporting Content

The prescribed minimum content of the four main annual reports to Council, are detailed in the summaries below. This minimum content gives a degree of flexibility, in terms of the content of the report, whilst ensuring that key issues are always reported.

Annual Strategy Report Minimum Contents Summary

The Annual Strategy Report must be submitted to Council by 31 March each year and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt
- ◆ Investment Limits
- ◆ External investment fund limits
- ◆ Forecast interest rate movements for the ensuing year
- ◆ Breakdown of surplus funds held
- ◆ Proposed investment and / or borrowing strategy

Annual Report Minimum Contents Summary

The Treasury Management Annual report must be submitted to Council by 30 September following the previous financial year's end, and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt held and a list of lenders names
- ◆ Investment performance against benchmark criteria
- ◆ A breakdown of investments held
- ◆ An explanation of interest rate movements during the financial year, against forecast movements in the original Annual Strategy Report
- ◆ Any breaches from the Code of Practice
- ◆ A statement of compliance from the Internal Audit manager

Monitoring Report Minimum Summary of Contents

The monitoring report must be submitted to Council by 31 December each year and should, as a minimum, contain the following: -

- ◆ Details of the level of external debt
- ◆ Investment performance against benchmark criteria
- ◆ A breakdown of investments held
- ◆ Any revisions to Treasury Management strategy
- ◆ A revised interest rate forecast for the remainder of the financial year
- ◆ Any breaches from the Code of Practice
- ◆ Show the position as at the end of 30 September

Revisions to the Treasury Management Code of Practice Contents Summary

The report must be submitted to Council by the 7 March each year and should contain as a minimum, the following;

- ◆ Any legislative changes
- ◆ Any guidance changes
- ◆ Any significant changes in procedures
- ◆ Confirmation that the CIPFA Code of Practice for Treasury Management in the Public Services has been adopted
- ◆ At the same Council meeting a report must be submitted on the Councils Prudential Code & Associated Indicators and should contain as a minimum, the following;
 - ◆ Rates of financing costs to net revenue stream
 - ◆ Net borrowing and the capital financing requirement
 - ◆ Total capital expenditure in each year
 - ◆ Average balance of capital receipts available
 - ◆ Limits in interest rate exposure
 - ◆ Maturing structure of borrowing
 - ◆ Incremental impact of capital investment
 - ◆ Total principal sums invested and limits on long term investment maturities
 - ◆ Minimum Revenue Provision Policy

Budgeting, Accounting and Audit Arrangements – TMP7

Statutory / Regulation Requirements

Statutory and regulatory requirements relating to Treasury Management are dealt with under TMP1 under the heading “Legal and Regulatory”.

Accounting Practices and Standards

The Council, in addition to all relevant SSAP’s, FRS’s and IAS’s adheres to all practices and standards provided by CIPFA.

Budgets

Budgets are set, prior to the commencement of a financial year, for brokerage fees charged by the Councils Fund Managers and Advisors.

A forecast of interest receipts for the ensuing financial year is prepared prior to its commencement by the Projects and Capital Manager. This budget is also revised during the year, to take account of any variations in the amount likely to be received.

Investment categories are individually coded on the Council’s financial information system, in terms of the interest received, principal sums invested, and investments recouped. Information is updated on the Financial Information System directly from the bank statements received, by the Bank Reconciliation Officer who is independent of the Treasury Management function.

The Treasury records are reconciled to the information on the financial information system, on a monthly basis. Reconciliation’s are checked independently by the Team Leader (Treasury and Regulatory Services) and signed to signify approval.

External Audit Information Requirements

The "Audit Fraud and Corruption Manual" details system controls which external auditors would wish to see in place for Treasury Management. These are as follows: -

- ◆ Clear written procedures for staff
- ◆ Transactions are regularly reviewed and examined by a senior officer
- ◆ Appropriate access controls exist
- ◆ All cheques / direct credits over a specified amount are checked back to prime documents and countersigned by a senior officer
- ◆ Banks only accept direct transfers to institutions on an approved list
- ◆ Changes to the approved list require counter signature by a senior officer
- ◆ Transfer via a direct terminal link is only allowed when confirmed by a second officer
- ◆ Cheques are despatched independently of the loan officer
- ◆ Discharged certificates are obtained for all bond repayments.
- ◆ Direct confirmation with borrowers or lenders of premiums or discounts on premature repayments.
- ◆ Premium or discount payments are checked for reasonableness.

Cash and Cash Flow Management – TMP8

Monitoring of cash flow requirements is carried out using a Cash Flow spreadsheet. The spreadsheet shows all the days of the year and is broken down into headings of income and expenditure for each working day of the year. This allows a forecast of the consolidated end of day closing balance to be compiled, on which Treasury Management decisions can be based.

This spreadsheet is compiled prior to the commencement of the financial year and is updated with all cash inflows and outflows which are known (in terms of amounts and the dates they will occur) at the commencement of the financial year. These would include:

- ◆ Precept payments to be made to precepting bodies
- ◆ Contributions to and from the National Non-Domestic Rating pool
- ◆ Any other known cash in flows and out flows

In addition to updating this spreadsheet with cash inflows and outflows known at the start of the year, notes are made on the spreadsheet of those transactions, which cannot be quantified, but are known to occur on specific dates. These would include:

- ◆ Council Tax direct debit income
- ◆ National Non-Domestic Rates (NNDR) direct debit income
- ◆ Monthly payroll (and associated) payments

Other income and expenditure are known to occur on a regular basis, and cash flow decisions also take account of these. Examples would include:

- ◆ Accounts Payable (Creditor) Payments (made on each Monday and Thursday)
- ◆ Housing Benefits (HBIS) BACS payments (made on each Monday)
- ◆ Other daily income, e.g. from cashiers

The daily forecast cleared closing consolidated balance is compared to the consolidated forecast balance from the Councils direct banking system, in order to give assurance that the system and spreadsheet are taking account of all transactions.

The end of day forecast cleared consolidated balance is the figure which treasury management decisions are based on. Two authorised officers therefore check this figure, independently, for control purposes, where an investment or borrowing decision is to be made.

Daily Procedures

The Finance Business Support Officer (Treasury and Insurance) will perform day to day cash management. The Team Leader (Treasury and Insurance) and the Business Partner - Capital will provide cover in the absence of any of the aforementioned officers.

It is now required that all designated treasury staff carry out the treasury management daily procedures for 2 individual weeks during the course of the year, to ensure that they are continually up to date with treasury management procedures.

Objective

The objective of the day to day cash management is to ensure that the consolidated balance of the Council's bank accounts is, where possible, kept within its target overnight level of up to £1 million, whilst adequately meeting the day to day cash requirements of the Council.

However, balances over £1 million may be retained in the bank account to be used to cover payments going out provided the limit is not exceeded for more than five consecutive working days.

Investment / Borrowing Decision Making

Borrowing to meet any shortfall or investing directly with organisations on the approved list can be authorised by the Director of Resources and Property (Section 151 Officer), Service Manager - Finance and Procurement (Deputy Section 151 Officer), Projects and Capital Manager, Planning, Performance & Control Manager. In the absence of one of the officers above, one of the Senior Business Partners or Business Partner – Capital can act as Sanctioning Officer with the documentation being countersigned by an authorising officer at the earliest opportunity. Longer term borrowing requires Council approval.

With increased working over multiple sites and remote working arrangements, the required officers are not always available to provide 'hard copy' authorisation. To increase efficiency and ensure treasury activities are carried out in a timely manner, the use of email authorisation is permitted. Copies of the email trail must accompany all deal paperwork in the completed file.

Forecasting the closing balance on the consolidated accounts

This is reached by obtaining a daily cleared debit/credit balance from the Direct Banking system and referring to the "Cashflow" Spreadsheet for any other significant income/payments.

Bank Statement Procedures

On receipt, bank statements are forwarded to the Accounts section, whereby they are distributed to the appropriate responsible officer.

Payment Scheduling and Agreed Terms with Trade Creditors

Creditor runs, through the creditors system are performed on a bi-weekly basis to provide both BACS and cheque payments.

The Councils general terms are that payment of invoices will be made within 30 days, unless alternative terms are detailed on invoices.

The Treasury Management team is provided with information on the level of creditor payments to be made each week, in time to ensure sufficient funds are available to meet the liability.

Procedure for Banking of Funds

A private security firm carries out the banking of funds.

Procedures for the reconciliation of cash and cheques collected at each location, to those banked, are also in place.

Scheme for the Advancing of Car Loans to Members of Staff

The scheme is intended to assist specified officers with the purchase of a vehicle where it is deemed necessary to have the availability of a vehicle for the performance of his / her duties.

The full Policy can be found on the Corporate Drive and in the Policy Library.

Loans to Parish Councils and External Organisations

More detailed information on the criteria for a loan and the application process can be found in the Council's loan policy.

Money Laundering - TMP9

Methodology for Identifying Sources of Deposit

For all investments, managed internally, the Council deals with financial institutions that hold an acceptable Credit Rating as detailed in TMP 1.

This high credit rating gives some assurance that all institutions included on the approved list of organisations for investments are reputable companies.

Methodology for Establishing the Identity / Authenticity of Lenders

In terms of temporary loans, the Council has a policy of only accepting loans from Parish Councils, or occasionally of small amounts from Community Organisations (subject to such loans not adversely affecting the Authorised Borrowing Limit or the Operational Boundary for Borrowing), where this would benefit the organisation concerned. Any other loans accepted would relate to performance bonds from reputable companies.

The Council currently has £9.5 million of long-term borrowings. Should it prove necessary to borrow further, only Brokers included in the Councils approved list would be asked to provide quotations. Written confirmations of all details relevant to any transaction would be required on the Broker's headed paper.

Disaster Recovery Plan

In the event that the offices cannot be accessed, or the online banking facility is unavailable, there are contingency arrangements in place to ensure that where possible Treasury Management obligations are met. These emergency contingency arrangements can be found in the Treasury Management Procedures Manual.

As a result of the enforced changes to working arrangements in 2020, full remote working facilities are available to all officers involved in Treasury Management and payment authorisation.

Training and Qualifications – TMP10

It is the Council's intention for all the posts detailed in the schedule for TMP5 "Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements" to be occupied.

Should a vacancy for any post be unfilled for any exceptional period of time, then the Code of Practice will be reviewed to assess any likely implications and risks, and so that any necessary amendments may be made and presented to Council for approval.

It is the intention of the Council that staff holding the posts will have adequate knowledge and skills in order to fulfil the requirements of these posts.

Those responsible for day-to-day treasury management activities will ensure that they keep their knowledge and skills up to date. This will be done in a number of ways (both in-house and using external providers), including but not limited to those detailed below:

- Attend a minimum of two strategy meetings with the Council's treasury advisers each year.
- Review annual Treasury Management Strategy and Code of Practice, noting any changes.
- Attend a minimum of one update session per month provided by the Council's independent treasury advisers.
- Attend weekly Treasury update meetings.
- Maintain and update as necessary Treasury Learning Resources.
- Attend monthly cash-flow meetings to better understand short and medium term cash requirements.
- Review of news / updates on treasury management subjects, including those provided by the Council's treasury advisors, as well as through publications such as Public Finance.

The knowledge and skills will be monitored throughout the year. A review will take place as part of the annual performance review procedure and any gaps in knowledge or skills will be identified and actions identified to address them.

The Chief Finance Officer / Deputy Chief Finance Officer will maintain their knowledge and skill in a number of ways, including but not limited to those detailed below:

- Attendance at annual CIPFA Conferences
- Attendance at strategy meetings with the council's Treasury Advisers each year.

- Review of news / updates on treasury management subjects, including those provided by the Council's treasury advisors, as well as through publications such as Public Finance and Room 151.

Council members responsible for scrutiny of the Council's treasury management function (members of the Performance & Audit Scrutiny Committee) will be provided with an annual training session from the Council's independent treasury advisors, as well as quarterly updates on treasury management activity from the in-house treasury management team.

Use of External Service Providers - TMP11

The Council may employ the services of other organisations to assist it in the field of treasury management. In particular, it may use external treasury advisors and/or brokers/fund managers to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

The Council has a contract with Arlingclose Ltd for treasury advice, this contract expires 18 May 2024.

Corporate Governance – TMP12

Information Available for Public Inspection

The Council will make publicly available information relating to its Treasury Management strategy.

The Council will also make available information relating to the performance of the Treasury Management function in terms of the rate of return received on investments.

Consultation with Stakeholders

The Council's main objective is to maximise investment income without compromising its position in terms of risk. This strategy results in little scope for consultation with stakeholders, over what is effectively investment strategy.



Performance and Audit Scrutiny Work Programme 2024

Report number:	PAS/WS/24/006	
Report to and date(s):	Performance and Audit Scrutiny Committee	25 January 2024
Cabinet Member:	Councillor Diane Hind Cabinet Member for Resources 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 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 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 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 2024

7. Background documents associated with this report

7.1 None

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

Description	Lead Officer
30 May 2024 (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)
Ernst and Young – External Audit Plan and Fees 2023 to 2024	Director (Resources and Property)
Internal Audit Annual Report (2023 to 2024)	Service Manager (Internal Audit)
Outline Internal Audit Plan (2024 to 2025)	Service Manager (Internal Audit)
2023 to 2024 Performance Report (Quarter 4)	Service Manager (Policy, Projects and Performance)
Annual Report from the Health and Safety Sub-Committee	Service Manager (Health and Safety)
Annual Re-Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee	Business Partner (Governance)
Work Programme Update – 2024 to 2025	Director (Resources and Property)

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

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

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