West Suffolk Council

Statement of Accounts

2020 to 2021

Contents

Accessibility statement

We are aware that, owing to the nature and format of the disclosures that are required to be included in this document, not all of the tables are fully compatible with accessibility standards. In order to achieve full compatibility, we acknowledge that substantial changes may be required to the format of this statement of accounts, this will be given a full assessment as part of the 2021 to 2022 accounts closedown process.

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

Introduction

About the area

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

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

West Suffolk Council was formed on 1 April 2019, from the two predecessor councils of St Edmundsbury Borough and Forest Heath District Council. It is made up of 72 councillors and was Conservative controlled during 2020 to 2021. It operated under a leader and cabinet style of governance. Councillors were elected to the new West Suffolk Council in May 2019.

Further information can be found by following the links below:

[Suffolk Observatory]

[West Suffolk Strategic Framework]

Narrative report by the Chief Finance Officer

Introduction

I am pleased to introduce the council's Statement of Accounts for 2020 to 2021. West Suffolk Council provides a diverse range of services to its residents. These services include refuse collection, leisure and recreation, housing options, car parking, environmental health, economic development, planning and development control and many more which support our families, communities, and businesses.

The Statement of Accounts for the council summarises the transactions that have taken place during the year 1 April 2020 to 31 March 2021 and are intended to give an overall view of the council's financial position. The accounts have been produced to show all the financial statements and disclosure notes required by statute by complying with the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting statements have also been prepared in accordance with the Accounts and Audit Regulations 2015.

Introducing West Suffolk Council

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

In 2018 to 2019 the former Forest Heath District and St Edmundsbury Borough Councils agreed and implemented, through 'The West Suffolk (Local Government Changes) order 2018', dated 24 May 2018, in the Houses of Parliament, the creation of the new West Suffolk Council. This is one of the first of its kind in the United Kingdom requiring and receiving strong public and partner support.

The new West Suffolk Council was created on 1 April 2019. For many years the former councils had been sharing their services, staff, and management. As a larger council, and one of the first of its kind in the UK, we now have a stronger voice for West Suffolk, enabling us to encourage growth in our businesses whilst also being able to work with local organisations and support communities in developing local solutions.

This has been the second full year of operating as West Suffolk Council. In an extremely challenging year, we have continued our journey as a new council in supporting our local communities and businesses while driving forward our ambitious vision for growth, jobs, and economic prosperity.

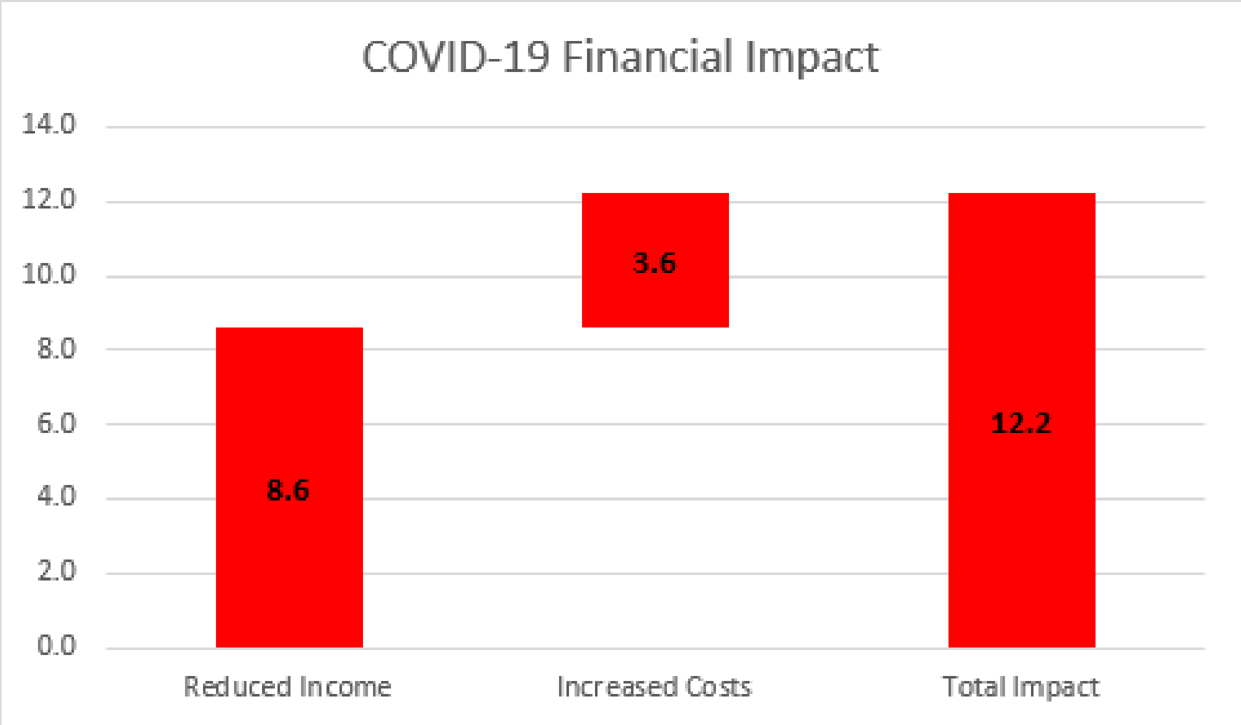
The West Suffolk Strategic Framework represents a joined-up approach to the Strategic Framework, West Suffolk Local Plan and Medium Term Financial Strategy. It means we can take a single, coherent approach to what we want to see achieved in West Suffolk in the coming years. This document is available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

COVID-19

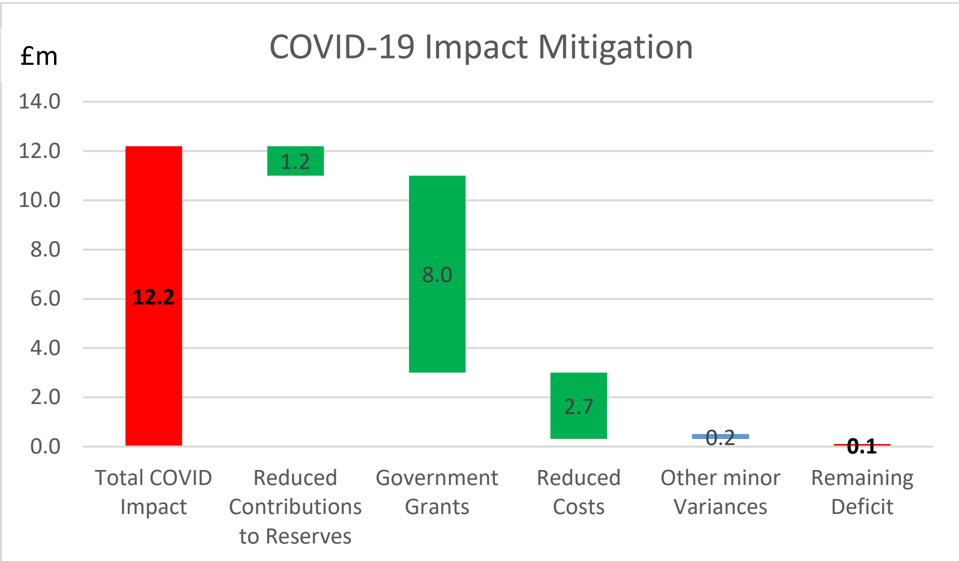
The impact of COVID-19 was felt across the full twelve months of this financial year. There was considerable redeployment of staff in order to ensure that the Council continued to deliver essential services, support businesses and those most vulnerable in the community.

The financial impact of COVID-19 was considerable with significant reductions in income streams and additional costs required to deliver support initiatives such as 'Home Not Alone' support for the vulnerable, 'Everyone In' emergency homelessness provision and delivery of business support grants.

The financial results show a total gross impact of £12.2 million (costs of £3.6 million and lost income of £8.6 million).



Funding of these additional COVID-19 related costs has been achieved through the work of the council, utilising existing budgets, delivery of COVID-19 related initiatives within existing resources, and external grants. This means the year end position shows these variances to reduce to an overall impact of £1,289,000. This deficit will be funded largely from the previously agreed use of the in-year 2020 to 2021 New Homes Bonus allocation which was previously allocated to support strategic projects. The net deficit balance of £89,000 will then be funded from the council's general fund balance. The Council's financial position and ability to reduce the impact where possible has been helped by previous financial planning and the creation of the West Suffolk Council as well as quick and effective action to reduce costs as guidance and infection rates changed.



In addition to the cost pressures and income losses outlined above, the pandemic is also impacting the council's ability to collect Council Tax and Business Rates. Whilst this will not have a direct impact on the current year's budget position, any deficits on the Collection

Fund in the current year will have to be charged to the General Fund budget from 2021 to 2022 onwards.

The impact of COVID-19 is likely to be felt for years to come as the council will need to make provision in its medium term budget plans for the impact on the collection fund deficits, recovery to pre-covid income and expenditure levels and the replenishment of its earmarked reserves and general fund balances.

What do the accounts mean?

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

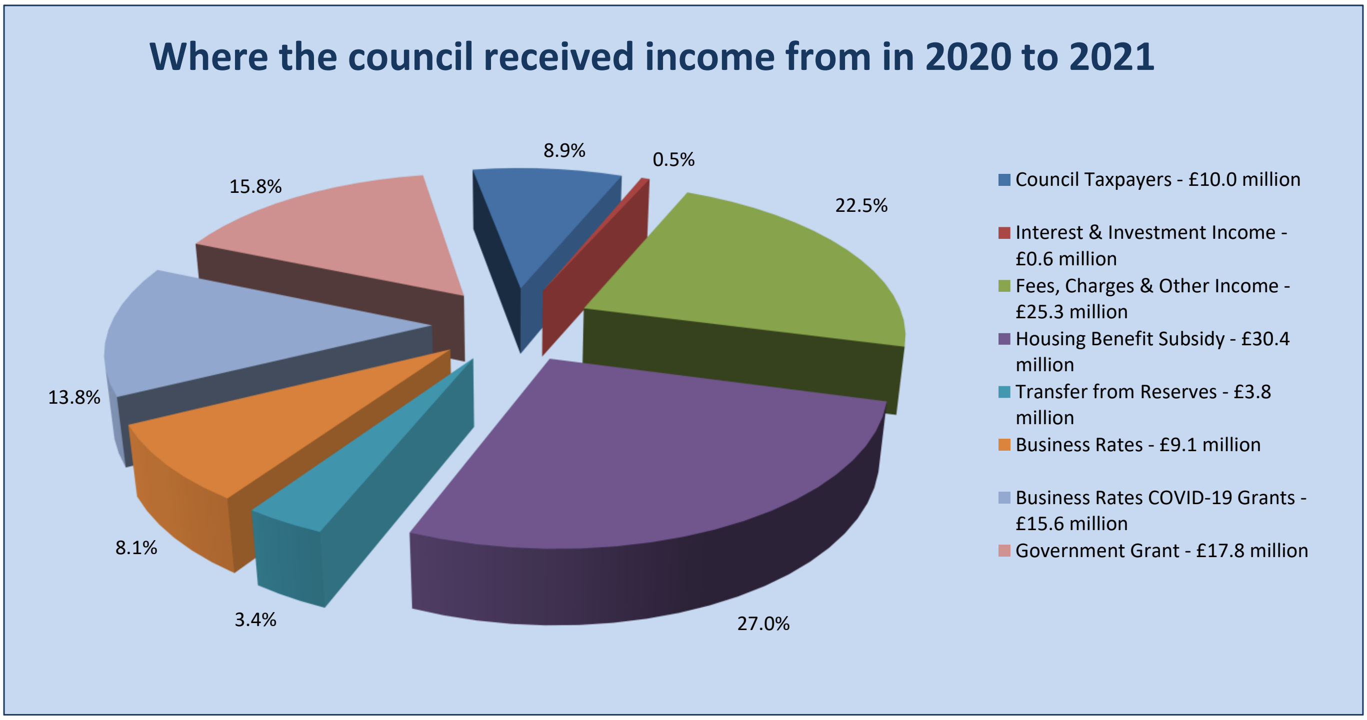
- Did the council make a surplus or deficit for the financial year?
- What is the size of the council reserves?
- What does the council spend its money on?
- Where does the council receive income from?

Hopefully the information below will answer these questions. There is also a lot more information contained within these financial statements and notes, and these have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Code of Practice for Local Government, to allow comparability with other local government accounts as well other public and private sector financial statements.

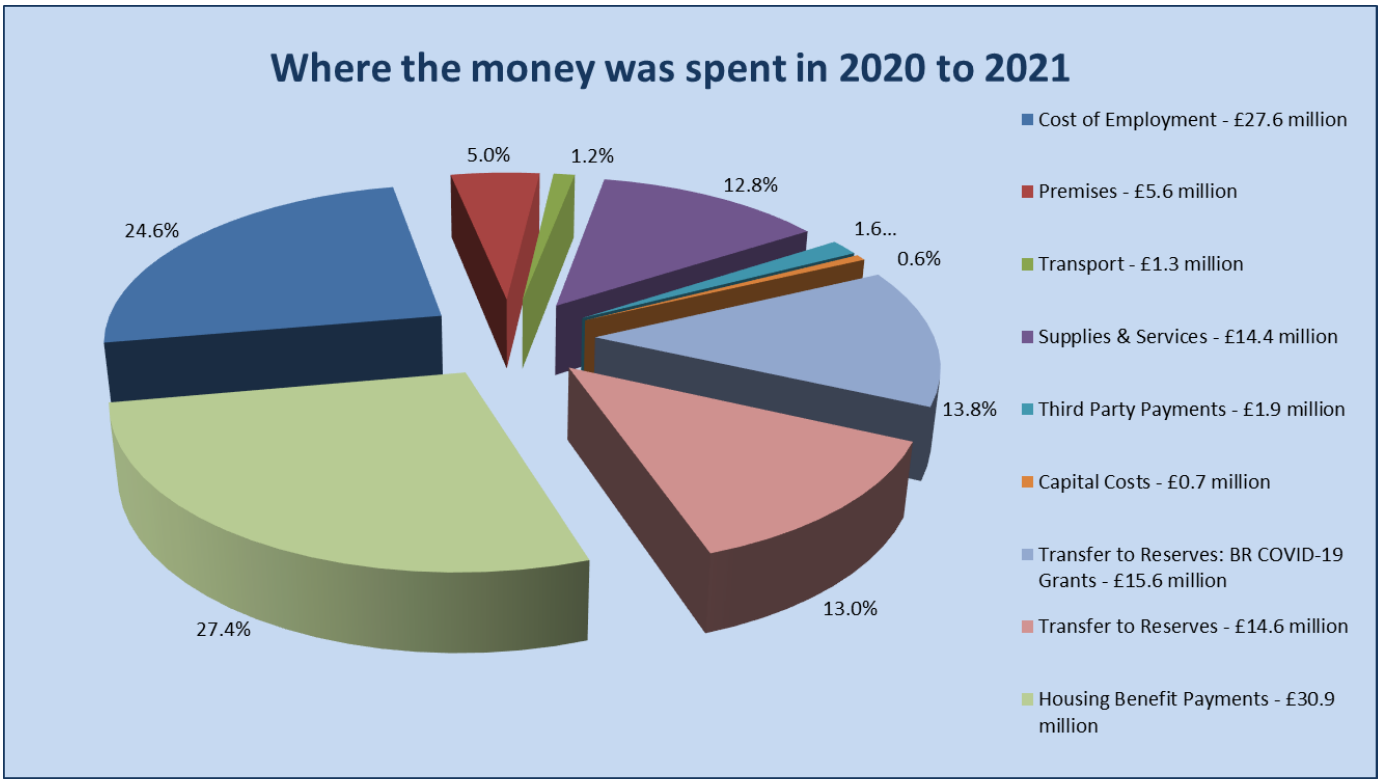
Overview of the financial year 2020 to 2021

For the 2020 to 2021 financial year, the council saw a small reduction in its general fund reserve, which stands at £4.8 million as at 31 March 2021, with an overall level of usable reserves (capital and revenue) of £62 million. This use of the general fund reserve was entirely due to the unanticipated costs and loss of income caused by the COVID-19 outbreak and accompanying lockdowns during 2020 to 2021.

The following charts show the sources of the council’s income for 2020 to 2021, and how it was spent on services (excluding accounting adjustments required by International Financial Reporting Standards):



The chart above shows where the council received income in 2020 to 2021 and the per centage of the overall total for each category. The main sources are Housing Benefit subsidy of £30.4 million 27.0 per cent, fees, charges and other income £25.3 million 22.5 per cent, government grant £17.8 million 15.8 per cent, business rates COVID-19 grant £15.6 million 13.8 per cent, business rates £9.1 million 8.1 per cent, council taxpayers £10.0 million 8.9 per cent, transfers from reserves £3.8 million 3.4 per cent and interest and investment income £0.6 million 0.5 per cent.



The chart above shows where the council spent the money it received in 2020 to 2021. The main spend was on Housing Benefit payments £30.9 million 27.4 per cent, cost of employment £27.6 million 24.6 per cent, supplies and services £14.4 million 12.8 per cent, transfers to reserves £30.2 million 26.8 per cent, premises £5.6 million 5.0 per cent, third party payments £1.9 million 1.6 per cent, transport £1.3 million 1.2 per cent and capital costs £0.7 million 0.6 per cent.

The transfers to reserves included the government grant to compensate the council for the deficit on the collection fund as a result of the COVID-19 reliefs awarded to businesses during 2020 to 2021. The council is required to repay the deficit to the collection fund across three financial years from 2021 to 2024 and this will be funded from the grant set aside in the reserve.

In order to respond to the COVID-19 pressures, the council has focussed its resources on supporting its strategic priorities (growth in the West Suffolk economy, supporting resilient families and communities and increasing provision of appropriate housing in West Suffolk). The council also invested in the Mildenhall Hub, 17 to 18 Cornhill in Bury St Edmunds and its wholly owned housing deliver company – Barley Homes.

Details of significant variances against budget can be seen in the report reference PAS/WS/21/008, entitled '2020 to 2021 Performance Report Quarter 1' considered by the Performance and Audit Scrutiny Committee on 27 May 2021.

The council's capital expenditure for 2020 to 2021 totalled around £32 million, which included loans and investment in the council's wholly owned housing company Barley Homes (£4.9 million), expenditure on 17 to 18 Cornhill (£1.3 million), Mildenhall Hub (£16.8 million) and purchase of vehicles and plant (£0.6 million). The council spent approximately £0.8 million on capital grants within the year. Around £7.1 million of the total £32 million spend for 2020 to 2021 was funded from the council's usable capital receipts, a further £9.4 million from grants and contributions, with the remainder being funded from revenue reserves and internal use of available cash in place of external borrowing.

Material and unusual charges or credits within the statements

The council purchased significant land and buildings during 2020 to 2021, as referenced above, for both statutory and growth purposes. In addition, the council received significant COVID-19 grants during the year. Further details are given in Note 4 Material items of income and expense.

Explanation of the statements

The statements included in the accounts are explained below:

- **The Statement of Responsibilities for the Statement of Accounts** identifies the officer who is responsible for the proper administration of the council's financial affairs, including the communication that the accounts present a true and fair view of the financial position of the council.

- **The Expenditure and Funding Analysis** is a note to the accounts and not a core statement. However, in accordance with the code of practice, it has been given due prominence in the accounts and sits ahead of the statements. It demonstrates to council taxpayers how the funding available to the authority (in other words government grants, council tax and business rates) for the year has been used in providing services, in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

- **The Comprehensive Income and Expenditure Statement** shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (in other words those that can be applied to fund expenditure or reduce local taxation) and other reserves.

- **The Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves held by the council which are reported in two categories. The first category of reserves are usable reserves, in other words those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

- **The Cash Flow Statement** summarises the inflows and outflows of cash arising from revenue and capital transactions with third parties. The statement excludes internal movements of funds between the council's accounts.

- **The Collection Fund** shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and business rates.

- **Group Accounts** shows the combined income and expenditure and balances of all the constituent bodies inclusive of any significant subsidiary.

Pensions

The council is required to include information on retirement benefits within the Statement of Accounts which must be in accordance with International Accounting Standard 19.
I have summarised the treatment of pensions and other forms of retirement benefits for the Narrative Report.

The figures contained in the Statement of Accounts are based on the latest actuarial valuation of the pension fund as at 31 March 2021 by Hymans Robertson LLP, an independent firm of actuaries. This stated that the fund's liabilities were more than its assets. The council's proportion of this net liability was estimated at £90.1 million.

The liabilities show the underlying commitments that the council has in the long run to pay retirement benefits. The total liability of £90.1 million has a substantial impact on the net worth of the council as recorded in the Balance Sheet. However, the statutory arrangements for funding the deficit mean that the financial position of the council remains healthy and the deficit on the fund will be made good by increased contributions over the remaining working life of employees as assessed by the scheme actuary.

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

Further detail in relation to retirement benefits can be found in Note 33 to the accounts.

Significant Provisions, Contingencies or Write-Offs

The council has increased its provisions by £1.8 million during the year to £6.3 million for the financial year ending 31 March 2021. These provisions are detailed in Note 21 to the accounts.

The council has included various contingent liabilities (Note 34) and contingent assets (Note 35) within the accounts.

Significant Cashflows Present and Future

During 2020 to 2021 West Suffolk Council made loans and investments in its wholly owned housing delivery company, Barley Homes, totalling £4.9 million and invested in the ongoing construction of Mildenhall Hub (£16.8 million) and 17 to 18 Cornhill (£1.3 million). Further details are given in Note 4 Material Items of Income and Expense.

Key Strengths and Resources

Employees

As at March 2021, West Suffolk Council employed 727 staff, with a voluntary staff turnover rate of 6.01 per cent and an average sickness level of 4.54 days per full time equivalent (FTE) member of staff during 2020 to 2021. Both of these metrics were a significant reduction on the previous year.

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

Land and buildings

The value of land and buildings owned by West Suffolk Council (not including plant and equipment) in 2020 to 2021 was £202.9 million.

Fees are charged in association with the use of these assets by third parties – for example, car parking charges, leases of industrial units and rent for office accommodation within our main office buildings (see Note 32 Leases).

Governance

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

- conducted its activities in a lawful way, in accordance with proper governance standards
- put in place arrangements to ensure public money is safeguarded and accounted for being used in an economic, efficient, and effective way
- managed risks to its business

- put in place arrangements to secure continuous improvement in the way in which its functions are exercised, having regards to economic, efficiency and effectiveness.

Progress and Achievement

The West Suffolk Council Annual Report 2020 to 2021 covers the period from 1 April 2020 to 31 March 2021. The report highlights the progress and achievements of West Suffolk Council over the past year in achieving our vision and priorities. Much of this work has been severely affected by COVID-19 and so the report sets out how we have continued to support local businesses and communities to respond to and recover from the impacts of the pandemic.

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

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

The report can be found here: West Suffolk Annual Report

Performance Indicators

For 2019 to 2020 Balanced Scorecards (one per strategic priority area) continue to be the medium for performance indicators. They are generated monthly and presented quarterly to the Performance and Audit Scrutiny Committee (PASC) together with the financial performance reports. They show key items per service and historical trends providing pertinent information to aid assistant directors and service managers in operating their areas. These reports are discussed monthly at Leadership Team meetings.

Material Events after the reporting date

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

Audit

Following the Government's consultation on the future of local public audit, Ernst and Young LLP were awarded the contract for the audit of West Suffolk Council's accounts for a five year period commencing with the financial year 2019 to 2020.

Looking to the future – Recovery and Growth

West Suffolk's recovery will continue to be focused on the vision and priorities set out in the Strategic Framework 2020 to 2024, but with particular emphasis on addressing those areas of inequality that have been exacerbated by COVID-19.

West Suffolk's approach will be on building the resilience of individuals, their families and communities, as well as supporting businesses to rebuild. This will involve investing in both social and physical assets and infrastructure in a preventative way so as to reduce the cost of crisis interventions.

We recognise that the need for West Suffolk Council to be financially self-sufficient will be greater than ever and as such, we will also continue to invest in specific projects in West Suffolk to generate income in order to maintain essential services. We will be revising the

Medium Term Financial Strategy in light of these challenges and changes in local government funding, with a focus on a sustainable recovery, rebuilding the general fund reserve and balancing the new levels of income and expenditure.

Our recovery will also be characterised by partnership working across the private, voluntary and public sectors, recognising that most of the challenges facing our communities are complex and multi-faceted.

We recognise that the coming months and years are going to be financially challenging for all local authorities, and much remains uncertain at this stage. However, we believe that West Suffolk Council's existing approach and strong financial position pre COVID-19 puts it in a good position to support recovery and continued growth in wellbeing and prosperity in West Suffolk.

Certificate of approval for the Statement of Accounts

The Statement of Accounts for the year 1 April 2020 to 31 March 2021 has been prepared and I confirm that these accounts were approved by West Suffolk Council at the meeting held on 18 November 2021.

Signed: Ian Houlder

Councillor Ian Houlder

Chair of Performance and Audit Scrutiny Committee

Date: 15 December 2021

Statement of responsibilities for the Statement of Accounts

The council's responsibilities

The council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this council that officer is the Chief Financial Officer, who is the Assistant Director (Resources and Performance)

- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets

- approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

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

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

- selected suitable accounting policies and then applied them consistently

- made judgements and estimates that were reasonable and prudent

- complied with the local authority code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by the Chief Financial Officer (S151 Officer)

I certify that the Statement of Accounts has been prepared in accordance with the proper accounting practices and presents a true and fair view of the financial position of the council as at 31 March 2021 and its income and expenditure for the year then ended.

Signed:

Rachael Mann

Rachael Mann
Chief Financial Officer (Section 151 Officer)

Date: 15 December 2021

Sarah Broughton

Councillor S Broughton
Portfolio Holder for Resources and Performance

Date: 15 December 2021

Expenditure and Funding Analysis

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

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

Note

* The large increase in net expenditure on Operations is primarily due to some downward revaluations on some council properties, along with a reduction in car park income due to COVID-19 restrictions (partly offset by government Sales, Fees and Charges Compensation reflected in Other income and expenditure). Further details can be found in Note 13 Property, Plant and Equipment and Note 12 Taxation and Non-Specific Grant.

	2020 to 2021			2019 to 2020		
	Net expenditure chargeable to the General Fund	**Adjustments between funding and accounting basis (Note 6)**	**Net expenditure in the Comprehensive Income and Expenditure Statement**	**Net expenditure chargeable to the General Fund**	**Adjustments between funding and accounting basis (Note 6)**	**Net expenditure in the Comprehensive Income and Expenditure Statement**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Resources and Performance	6,612	(686)	**5,926**	5,803	2,279	**8,082**
Human Resources, Legal and Democratic Services	2,823	130	**2,953**	2,943	493	**3,436**
Families and Communities	3,298	1,998	**5,296**	3,076	1,652	**4,728**
Planning and Regulatory	351	711	**1,062**	(87)	2,174	**2,087**
Operations *	6,274	19,546	**25,820**	1,783	4,303	**6,086**
Growth	1,968	628	**2,596**	2,117	495	**2,612**
Net cost of services	**21,326**	**22,327**	**43,653**	**15,635**	**11,396**	**27,031**
Other income and expenditure	(21,237)	(13,133)	**(34,370)**	(15,182)	(15,752)	**(30,934)**
(Surplus) or deficit on provision of services	**89**	**9,194**	**9,283**	**453**	**(4,356)**	**(3,903)**
Opening General Fund balance at 1 April	**(4,918)**			**(5,036)**		
Add: deficit on General Fund in the year	**89**			**453**		
Less: deficit funded from earmarked reserves	**0**			**(335)**		
Closing General Fund balance at 31 March	**(4,829)**			**(4,918)**		

Comprehensive Income and Expenditure Statement

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

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

Note

* The large increase in net expenditure on Operations is primarily due to some downward revaluations on some council properties, along with a reduction in car park income due to COVID-19 restrictions (partly offset by government Sales, Fees and Charges Compensation reflected in Taxation and Non-Specific Grant Income). Further details can be found in Note 13 Property, Plant and Equipment and Note 12 Taxation and Non-Specific Grant.

		2020 to 2021			2019 to 2020		
	Note	**Gross expenditure**	**Gross income**	**Net expenditure /(income)**	**Gross Expenditure**	**Gross Income**	**Net Expenditure /(Income)**
		£000	**£000**	**£000**	**£000**	**£000**	**£000**
Resources and Performance		44,684	38,758	**5,926**	43,726	35,644	**8,082**
Human Resources, Legal and Democratic Services		3,713	760	**2,953**	4,218	782	**3,436**
Families and Communities		7,941	2,645	**5,296**	6,347	1,619	**4,728**
Planning and Regulatory		6,040	4,978	**1,062**	7,482	5,395	**2,087**
Operations *		43,873	18,053	**25,820**	28,300	22,214	**6,086**
Growth		3,101	505	**2,596**	3,211	599	**2,612**
Cost of Services		**109,352**	**65,699**	**43,653**	**93,284**	**66,253**	**27,031**
Other operating expenditure	10	3,104	0	**3,104**	3,305	0	**3,305**
Financing and investment income and expenditure	11	2,086	591	**1,495**	2,284	384	**1,900**
Taxation and non-specific grant income	12	0	38,969	**(38,969)**	0	36,139	**(36,139)**
(Surplus) or deficit on provision of services		**114,542**	**105,259**	**9,283**	**98,873**	**102,776**	**(3,903)**
Surplus on revaluation of Property, Plant and Equipment assets	22			**(15,669)**			**(4,010)**
Actuarial (gains) or losses on pension assets and liabilities	33			**28,885**			**(20,268)**
Other comprehensive (income) or expenditure				**13,216**			**(24,278)**
Total comprehensive (income) or expenditure				**22,499**			**(28,181)**

Movement in Reserves Statement

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

Prior year movements - 2019 to 2020	Note	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
Balance as at 31 March 2019		**44,020**	**7,887**	**351**	**52,258**	**128,662**	**180,920**
Movements in reserves during 2019 to 2020							
Total comprehensive income and expenditure		3,903	0	0	**3,903**	24,278	**28,181**
Adjustments between accounting basis and funding basis under regulations	8	(7,264)	854	(96)	**(6,506)**	6,506	**0**
Increase or (decrease) in 2019 to 2020		**(3,361)**	**854**	**(96)**	**(2,603)**	**30,784**	**28,181**
Balance as at 31 March 2020 carried forward		**40,659**	**8,741**	**255**	**49,655**	**159,446**	**209,101**

Current year movements - 2020 to 2021	Note	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	**£000**	**£000**	**£000**	**£000**	**£000**
Balance as at 1 April 2020		**40,659**	**8,741**	**255**	**49,655**	**159,446**	**209,101**
Movements in reserves during 2020 to 2021							
Total comprehensive income and expenditure		(9,283)	0	0	**(9,283)**	(13,216)	**(22,499)**
Adjustments between accounting basis and funding basis under regulations	8	27,655	(6,063)	0	**21,592**	(21,592)	**0**
Increase or (decrease) in 2020 to 2021		**18,372**	**(6,063)**	**0**	**12,309**	**(34,808)**	**(22,499)**
Balance as at 31 March 2021 carried forward *		**59,031**	**2,678**	**255**	**61,964**	**124,638**	**186,602**

* The increase in the General Fund and Earmarked Reserves balance includes £18 million relating to Section 31 grant paid to the council by central government during the year. This grant was to compensate the council for business rates losses resulting from rate reliefs awarded to businesses by the government (including COVID-19 reliefs to retail, hospitality and leisure services). The council has set aside this grant income in its earmarked reserves in order to fund its share of the resultant deficit on the Business Rates collection fund, which has to be repaid by the council in 2021 to 2024. Further details can be found in Note 9 Transfers to or (from) earmarked reserves.

Balance Sheet

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

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

Reserves are reported in two categories.

- The first category of reserves are usable reserves, in other words those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

- The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

West Suffolk balance sheet	Note	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	13	265,197	247,615
Heritage assets	14	7,279	7,283
Investment property	15	0	0
Intangible assets	16	149	228
Long-term investments	19	1,151	389
Long-term debtors	17	7,543	2,425
Long-term assets		**281,319**	**257,940**
Short-term investments	19	8,516	12,015
Assets held for sale		476	286
Inventories		184	171
Short-term debtors	17	31,452	12,647
Cash and cash equivalents	18	22,650	18,887
Current assets		**63,278**	**44,006**
Short-term borrowing	19	(2)	(2)
Short-term creditors	20	(49,071)	(19,912)
Provisions	21	(5,851)	(4,141)
Current liabilities		**(54,924)**	**(24,055)**
Provisions	21	(475)	(390)
Long-term borrowing	19	(4,000)	(4,000)
Other Long-term liabilities	33	(90,135)	(58,887)
Grants receipts in advance	29	(8,461)	(5,513)
Long-term liabilities		**(103,071)**	**(68,790)**
Net assets		**186,602**	**209,101**
Usable reserves		(61,964)	(49,655)
Unusable reserves	22	(124,638)	(159,446)
Total reserves		**(186,602)**	**(209,101)**

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2021 and its income and expenditure for the year ended 31 March 2021. These financial statements replace the unaudited financial statements certified by the S151 officer on 21 July 2021.

Signed: Rachael Mann Date: 15 December 2021

Chief Financial Officer (Section 151 Officer)

Cash Flow Statement

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

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

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

	Note	2020 to 2021 £000	2019 to 2020 £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)		9,283	(3,903)
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	23	(46,375)	(13,686)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	23	7,630	11,859
Net cash flows from operating activities		**(29,462)**	**(5,730)**
Investing activities	24	8,215	5,719
Financing activities	25	17,484	(956)
Net (increase) or decrease in cash and cash equivalents		**(3,763)**	**(967)**
Cash and cash equivalents at the beginning of the reporting period		(18,887)	(17,920)
Cash and cash equivalents at the end of the reporting period	18	**(22,650)**	**(18,887)**

Notes to the core financial statements

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

The Code of Practice on Local Authority Accounting in the United Kingdom (the code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the new or amended standards within the 2021 to 2022 code.

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

- Definition of a Business: Amendments to IFRS 3 Business Combinations.
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7.
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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

Note 2 Critical judgements in applying accounting policies

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

- There is a high degree of uncertainty about future levels of funding for local government. This was already the case before the COVID-19 pandemic due to the one year financial settlement for 2020 to 2021 and the Government review into local government funding – the Fair Funding Review. The pandemic resulted in the government issuing another one year financial settlement for 2021 to 2022, further delaying the Fair Funding review, and releasing emergency funding measures to support local government through the crisis. The COVID-19 pandemic impacted from March 2020 and, therefore, the full impact is reflected in the Statement of Accounts. The council is expecting further significant challenges and cost pressures in the year ahead as it deals with the ongoing crisis and will continue to review its Medium Term Financial Strategy to identify mitigations. However, the council has determined that this uncertainty is not sufficient to indicate that any of its assets might be impaired as a result of a need to close facilities or reduce levels of service provision.

- West Suffolk Council's predecessor authorities entered into contracts with Abbeycroft Leisure for the operation of the leisure centres, the athletics track and the management of bookings in relation to other sports facilities. Abbeycroft Leisure is a company limited by guarantee, with charitable status. The council does not have control of the company and has therefore determined that the company is not a subsidiary of the council (see also Note 30 Related Parties).

- On 25 October 2007, West Suffolk's predecessor authority, St Edmundsbury Borough Council, established a joint committee with Suffolk County Council for the purpose of overseeing the construction and operation of a new joint office building in Bury St Edmunds, West Suffolk House. The council has determined that this joint committee is accounted for as a 'jointly controlled operation' whereby each authority accounts for its share of costs and assets (see also Note 30 Related Parties).

- On 1 April 2006 the council's predecessor authority, Forest Heath District Council, joined Breckland District Council to set up the Anglia Revenues Partnership (ARP). The partnership was subsequently extended to include East Cambridgeshire, St Edmundsbury, Fenland, Suffolk Coastal and Waveney District Councils with effect from 1 April 2015. From 1 April 2019, Forest Heath and St Edmundsbury were replaced by the newly formed West Suffolk Council, and Suffolk Coastal and Waveney were replaced by East Suffolk Council. The ARP is governed on a joint committee basis, the purpose of which is to provide a shared revenues and benefits service for the member councils. The council has determined that this joint committee is accounted for as a 'jointly controlled operation' whereby each authority accounts for its share of costs and assets (see also Note 30 Related Parties).

- The council has undertaken a review of the potential outcome of significant legal claims by or against the council, full details of which are Note 34 Contingent Liabilities and Note 35 Contingent Assets.

Note 3 Future assumptions and other major sources of estimation uncertainty

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

The items in the council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, plant and equipment – valuations

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has impacted many aspects of daily life and the global economy with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of some of the assets valued for the 2020 to 2021 accounts covered by this report there is a shortage of market evidence to compare to previous market evidence for comparison purposes, to inform opinions of value. The valuations of these assets are therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Consequently, less certainty and a higher degree of caution should be attached to these valuations than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that in the current extraordinary circumstances less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we will keep our valuations under frequent review.

As at the time of preparing these accounts, evidence suggests that the assets impacted the most by the effects of the COVID-19 pandemic are those valued under the fair value or economic useful value methods due to reduced availability of market evidence, increased uncertainty over the level of future income and the predicted yields applied.

The sectors which have the most uncertainty in its values are the retail sector and specific trading related sectors, such as car parks. The council's exposure to these sectors is relatively small as a proportion of its total asset base as £38.0 million Net Book Value of a total value of £273.1 million, of which £16.3 million relates to retail and £21.7 million relates to car parks.

Work will continue to understand the potential level of uncertainty within the valuations as more market evidence becomes available.

Property, plant and equipment - depreciation

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

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

It is estimated that the annual depreciation charge for buildings would increase by £0.405 million for every year that useful lives had to be reduced.

Pensions liability

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

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

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

The fund's actuaries have advised that a 0.1 per cent decrease in the real discount rate assumption would result in a 2 per cent increase in the employer's liability. In monetary terms this equates to around £5.661 million.

A 1 year increase in member life expectancy would result in an additional 4 per cent employer liability totalling approximately £12.261 million.

A 0.1 per cent increase in the pension increase rate would result in an additional 2 per cent employer liability totalling approximately £5.028 million.

Arrears

At 31 March 2021, the council had a sundry debt balance of £34.978 million (£12.647 million at 31 March 2020). A review of an aged debt analysis suggested that an allowance for doubtful debts in 2020 to 2021 of £3.527 million (£2.582 million in 2019 to

2020) would be appropriate. However, factors such as the current economic climate may impact on the actual level of bad debts experienced by the council.

If collection rates were to deteriorate, a doubling of the amount of the impairment of doubtful debts would require an additional £3.527 million to be set aside as an allowance.

Note 4 Material items of income and expense

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

COVID-19

Due to the COVID-19 pandemic, the council received a significant number of grants from the government and other organisations during 2020 to 2021. £13.2 million was received where the council had discretion over how the grants were spent, and these grants and related expenditure have been reflected in the Comprehensive Income and Expenditure Statement (CIES). Where the council has no discretion but was acting as an intermediary agent on behalf of the government in administering grant support to businesses and individuals, the grants have not been credited to the CIES. Instead, they have been accounted for in the Balance Sheet as short term creditors. £61.1 million was received by the council during the year, and £53.5 million of this has been passed on to local businesses and individuals so far.

Further details of the COVID-19 grants received during 2020 to 2021 are given in Note 29 Grant Income.

Further details of the impact of COVID-19 on the council's finances are set out in Note 5b Going Concern.

Land and property

During 2020 to 2021 the council spent £16.8 million on the Mildenhall Hub project, which is due to be operational in June 2021. This project aims to bring together a range of public services (including education, health, leisure and local government) on one site in Sheldrick Way, Mildenhall, making access easier and cutting operational running costs. The project involves many partners including, Suffolk County Council, Academy Transformation Trust, Abbeycroft Leisure, NHS, Suffolk Libraries Service, Citizen's Advice Bureau, DWP and the site will include a school, leisure centre, council office, library etc. More information about this project can be found at www.mildenhallhub.info

The council also spent £1.3 million on the development of 17-18 Cornhill which combines bringing a vacant site back into use with two retail units as well as 12 residential flats whilst also improving the connection between the new shopping area and the old town centre.

Brandon Leisure Centre

The council spent £1.8 million on the refurbishment of Brandon Leisure Centre in 2020 to 2021. This refurbishment included the development of a new fitness suite, Shape master suite, new studio, changing rooms and a changing places toilet and treatment rooms for NHS community health.

As a result of this work, the council were able to reduce the management fee that it pays to Abbeycroft Leisure.

Loans to external organisations

Loans totalling £3.9 million were granted to Barley Homes (Group) Limited in 2020 to 2021. This is the council's wholly owned housing delivery company, who are currently developing two fully policy compliant housing schemes in Haverhill at Westfield and Castle Hill. Between these two sites 63 homes will be built, of which 19 will be affordable homes.

Vehicle and plant purchases

As part of its ongoing vehicle replacement programme, the council spent £581,000 on Vehicles and Plant during 2020 to 2021.

Note 5a Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 15 December 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no events since 31 March 2021, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

Note 5b Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

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

Following the outbreak of COVID-19 in the UK, a number of events occurred which had a significant impact on West Suffolk Council's financial position during 2020 to 2021. These included restrictions imposed by government that affected West Suffolk Council's investments and services, the council's role in responding to the pandemic and supporting businesses and the most vulnerable, and announcements of significant government financial support.

Monthly returns to the Ministry for Housing, Communities and Local Government (MHCLG) detailed the financial impacts of COVID-19 on the council. The final submission for the year, covering the period from April 2020 to March 2021, showed a total impact of £12.2 million (costs of £3.6 million and lost income of £8.6 million). This was mitigated mainly through government support, details of which are included in Note 29 Grant Income, of which around £7.9 million was utilised during 2020 to 2021, and through reductions in expenditure, some of which were directly linked to the effect of the lockdowns. As a result, the year-end position was a net overspend of £1.289 million, which was funded largely through the use of £1.2 million New Homes Bonus allocation which was previously allocated to support strategic projects. The net deficit balance of £89,000 was funded from the council’s general fund.

The impact of COVID-19 is expected to continue into 2021 to 2022. We have carried out an assessment of the impact of the pandemic on our future finances and we are satisfied that there are no material uncertainties relating to the council’s going concern.

The council’s year end balances, as reported in these statements, remain in a healthy position:

Date	General Fund	Earmarked reserves	Total Usable Revenue reserves
31 March 2021	£4.8 million	£54.2 million	£59.0 million

The earmarked reserves include Section 31 grant received during 2020 to 2021 from the government to fund the repayment of the collection fund deficit caused by COVID-19 business rate reliefs awarded to businesses during the year. The deficit, amounting to £17.5 million, must be repaid to the collection fund in 2021 to 2024 and will be funded from the money set aside in the reserve. This has been reflected in the council’s budget plans approved by Council in February 2021.

The council’s approved budget included provision for further COVID-19 costs and income losses during 2021 to 2022 of £1.17 million partly offset by budgeted Sales, Fees and Charges Compensation of £0.22 million. It also includes an additional tranche of COVID-19 Local Authority Support Grant of £0.87 million as well as £0.3 million carried forward from the 2020 to 2021 allocations.

Current forecasts, as reported in the latest MHCLG return, assess the COVID-19 impact on 2021 to 2022 finances as £3.48 million based on the assumption that the situation will continue for the first half of the year unless local intelligence suggests otherwise. This will be covered in part by the budget provisions mentioned above.
The balance will be covered by cost savings of £0.36 million (relating largely to the closure of arts venues), additional Sales, Fees and Charges Compensation of £0.43 million, and new unbudgeted grant funding linked to the additional costs forecast in the return of £0.7 million.

In addition, at the time of setting the budget for 2021 to 2022, the council was forecasting a year end deficit of £1.4 million in 2020 to 2021 to be funded from the general fund, and a provision to replenish the general fund was built into the 2021 to 2022 budget. Subsequent additional grant funding announced before the end of the 2020 to 2021 year resulted in the improved outturn position of £89,000 deficit. As a result, the excess replenishment budget can be utilised towards any further unforeseen pandemic impacts during 2021 to 2022.

If the lockdown arrangements are reinstated, we have not at this stage made any assessment of further additional costs or additional central government grants, due to the uncertainty.

The Fair Funding Review and the 75 per cent Business Rate Retention scheme was delayed due to COVID-19 and the government rolled forward a further one year settlement for 2021 to 2022 in line with that for 2020 to 2021. It is expected that this will also be the position for 2022 to 2023. However, due to the uncertainty around this, our Medium Term Financial Strategy (MTFS) assumes no government support beyond 2021 to 2022 other than: Baseline Funding and around half of current local growth in respect of Business Rates; and no New Homes Bonus Payment other than legacy payments in respect of previous awards. As a result of this prudent approach to our medium-term financial planning, there should be no adverse impact due to any delay, but this will be monitored and reviewed as further details are released by government.

The council has also undertaken cash flow modelling for the next 12 months which demonstrates the council’s ability to work within its Capital Financing Requirement and cash management framework, with an authorised boundary for borrowing (as set out in our prudential indicators) of £105.8 million.

The council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the council will be a going concern, 12 months from the date of the approval of these financial statements, based on its cash flow forecast and the resultant liquidity position of the council, taking account of cash and short term investment balances of £39.3 million at 30 June 2021 and the ability for planned additional borrowing (for capital programme not revenue support) under the Treasury Management Policy. This borrowing is intended to be sourced from the Public Works Loan Board (PWLB) and this demonstrates that the council has sufficient liquidity over the same period.

Note 6 Note to expenditure and funding analysis

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

Current Year - 2020 to 2021	Adjustments for Capital Purposes (Note a)	Net change for the Pensions Adjustment (Note b)	Other differences (Note c)	Total adjustments
	£000	£000	£000	£000
Resources and Performance	368	74	(1,128)	**(686)**
Human Resources, Legal and Democratic Services	2	96	32	**130**
Families and Communities	680	167	1,151	**1,998**
Planning and Regulatory	651	141	(81)	**711**
Operations	21,409	445	(2,308)	**19,546**
Growth	0	76	552	**628**
Net cost of services	**23,110**	**999**	**(1,782)**	**22,327**
Other income and expenditure from the expenditure and funding analysis	(10,235)	1,365	(4,263)	**(13,133)**
Difference between general fund surplus or deficit and comprehensive income and expenditure statement (CIES) surplus or deficit on the provision of services	**12,875**	**2,364**	**(6,045)**	**9,194**

Previous Year - 2019 to 2020	Adjustments for Capital Purposes (Note a)	Net change for the Pensions Adjustment (Note b)	Other differences (Note c)	Total adjustments
	£000	£000	£000	£000
Resources and Performance	661	331	1,287	**2,279**
Human Resources, Legal and Democratic Services	2	242	249	**493**
Families and Communities	560	364	728	**1,652**
Planning and Regulatory	1,812	345	17	**2,174**
Operations	3,937	1,042	(676)	**4,303**
Growth	0	197	298	**495**
Net cost of services	**6,972**	**2,521**	**1,903**	**11,396**
Other income and expenditure from the expenditure and funding analysis	(13,452)	1,830	(4,130)	**(15,752)**
Difference between general fund surplus or deficit and comprehensive income and expenditure statement (CIES) surplus or deficit on the provision of services	**(6,480)**	**4,351**	**(2,227)**	**(4,356)**

Note a - Adjustments for capital purposes

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

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

Note b – Net change for the pensions adjustments

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

For services this represents the removal of the employer pension contributions made by the council as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Note c – Other differences

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

For financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

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

Note 7 Expenditure and income analysed by nature

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

	Note	2020 to 2021 £000	2019 to 2020 £000
Expenditure			
Employee benefits expenses		**32,092**	32,564
Other services expenses		**22,410**	19,095
Parish precept payments	10	**4,346**	3,952
Other third party payments *		**3,594**	4,442
Housing benefit payments		**30,890**	32,874
Depreciation, amortisation and revaluation **	8	**22,281**	6,419
Interest Payable		**171**	174
(Gain) or loss on the disposal of assets	10	**(1,242)**	(647)
Total expenditure		**114,542**	**98,873**
Income			
Fees, charges and other service income		**(25,772)**	(31,326)
Interest and investment income	11	**(591)**	(384)
Income from council tax	12	**(14,199)**	(13,679)
Income from business rates	29	**(7,729)**	(7,831)
Grants and contributions		**(56,968)**	(49,556)
Total income		**(105,259)**	**(102,776)**
(Surplus) or deficit on the provision of services		**9,283**	**(3,903)**

* Payments made to external bodies (including Suffolk County Council and Abbeycroft Leisure), in return for the provision of a service.

** The increase primarily relates to the revaluation of the West Suffolk Operational Hub.

Note 8 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the council to meet future capital and revenue expenditure. The transactions for the year ended 31 March 2021 are as follows:

Current year - 2020 to 2021	**Usable reserves**			
	General fund balance £000	**Capital receipts reserve £000**	**Capital grants unapplied £000**	**Movement in unusable reserves £000**
Adjustments primarily involving the Capital Adjustment Account				
Reversals of items debited or credited to the Comprehensive Income and Expenditure Statement				
Charges for Depreciation and Impairment of non-current assets	6,616	0	0	(6,616)
Revaluation gains/losses on Property, Plant and Equipment	15,586	0	0	(15,586)
Amortisation of Intangible Assets	79	0	0	(79)
Capital Grants and Contributions applied	(9,368)	0	0	9,368
Revenue Expenditure funded from Capital under Statute	1,738	0	0	(1,738)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(1,243)	1,475	0	(232)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement				
Statutory provision for the financing of Capital Investment	(519)	0	0	519
Capital Expenditure charged against the General Fund Balance	(5,166)	0	0	5,166

Continued on the following page.

Current year - 2020 to 2021 (continued)	Usable Reserves General fund balance £000	Usable Reserves Capital receipts reserve £000	Usable Reserves Capital grants unapplied £000	Movement in unusable reserves £000
Adjustments primarily involving the Capital Receipts Reserve				
Use of the Capital Receipts Reserve to finance new Capital Expenditure	0	(7,718)	0	7,718
Transfer to Capital Receipts Reserve upon receipt of capital loan repayments	0	180	0	(180)
Adjustments primarily involving the Accumulated Absences Adjustment Account				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	85	0	0	(85)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	8,404	0	0	(8,404)
Employer's Pension Contributions and direct payments to pensioners payable in the year	(6,041)	0	0	6,041
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	17,484	0	0	(17,484)
Total Adjustments	**27,655**	**(6,063)**	**0**	**(21,592)**

Prior year - 2019 to 2020	Usable reserves			
	General fund balance £000	Capital receipts reserve £000	Capital grants unapplied £000	Movement in unusable reserves £000
Adjustments primarily involving the Capital Adjustment Account				
Reversals of items debited or credited to the Comprehensive Income and Expenditure Statement				
Charges for Depreciation and Impairment of non-current assets	6,612	0	0	(6,612)
Revaluation losses on Property, Plant and Equipment	(296)	0	0	296
Amortisation of Intangible Assets	103	0	0	(103)
Capital Grants and Contributions applied	(13,205)	0	0	13,205
Revenue Expenditure funded from Capital under Statute	1,346	0	0	(1,346)
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	(647)	1,506	0	(859)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement				
Statutory provision for the financing of Capital Investment	(394)	0	0	394
Capital Expenditure charged against the General Fund Balance	(4,368)	0	0	4,368
Adjustments primarily involving the Capital Grants Unapplied Account				
Application of Grants to Capital Financing transferred to the Capital Adjustment Account	0	0	(96)	96

Continued on the following page.

Prior year - 2019 to 2020 (continued)	Usable Reserves General fund balance £000	 Capital receipts reserve £000	 Capital grants unapplied £000	Movement in unusable reserves £000
Adjustments primarily involving the Capital Receipts Reserve				
Use of the Capital Receipts Reserve to finance new Capital Expenditure	0	(652)	0	652
Adjustments primarily involving the Accumulated Absences Adjustment Account				
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	190	0	0	(190)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	10,259	0	0	(10,259)
Employer's Pension Contributions and direct payments to pensioners payable in the year	(5,908)	0	0	5,908
Adjustments primarily involving the Collection Fund Adjustment Account				
Amount by which council tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(956)	0	0	956
Total Adjustments	**(7,264)**	**854**	**(96)**	**6,506**

Note 9 Transfers to or (from) earmarked reserves

General fund reserves	Balance at 1 April 2019	Transfers out 2019 to 2020	Transfers in 2019/20	Balance at 1 April 2020	Transfers out 2020 to 2021	Transfers in 2020 to 2021	Balance at 31 March 2021
	£000	£000	£000	£000	£000	£000	£000
Strategic reserves							
Strategic priorities and MTFS reserve	**10,650**	(5,614)	2,581	**7,617**	(6,825)	3,089	**3,881**
COVID-19 reserve	**0**	0	0	**0**	(1,625)	2,107	**482**
Investing in our growth agenda reserve	**1,740**	(290)	0	**1,450**	(387)	5	**1,068**
BRR pilot place-based reserve	**2,589**	(79)	619	**3,129**	(71)	0	**3,058**
Financial planning reserves							
Invest to save reserve	**3,499**	(626)	1,174	**4,047**	(490)	1,268	**4,825**
Risk and recession reserve	**557**	(557)	0	**0**	0	0	**0**
BRR equalisation reserve *	**6,503**	(1,119)	1,716	**7,100**	0	18,865	**25,965**
Housing benefits equalisation reserve	**526**	(232)	0	**294**	0	0	**294**
Capital project financing reserve	**692**	0	649	**1,341**	0	1,051	**2,392**
Interest equalisation reserve	**901**	(203)	0	**698**	0	167	**865**
Self insured reserve	**443**	(52)	20	**411**	(23)	20	**408**
Election reserve	**212**	(227)	73	**58**	(3)	112	**167**
Planning reserve	**309**	(124)	276	**461**	(293)	304	**472**
Planning delivery grant reserve	**62**	(62)	0	**0**	0	0	**0**
Service delivery reserves							
Computer equipment reserve	**342**	(211)	161	**292**	(240)	167	**219**
Office equipment reserve	**378**	(38)	50	**390**	(169)	50	**271**
Professional fees reserve	**429**	(429)	0	**0**	0	0	**0**
Anglia Revenues Partnership reserve	**930**	0	35	**965**	0	11	**976**

Continued on following page.

General fund reserves	Balance at 1 April 2019	Transfers out 2019 to 2020	Transfers in 0	Balance at 1 April 2020	Transfers out 2020 to 2021	Transfers in 2020 to 2021	Balance at 31 March 2021
	£000	£000	£000	£000	£000	£000	£000
Vehicle and plant renewal reserve	**1,736**	(651)	946	**2,031**	(581)	875	**2,325**
Waste management reserve	**457**	(235)	63	**285**	(94)	103	**294**
Building repairs reserve	**2,874**	(2,336)	1,735	**2,273**	(1,572)	1,657	**2,358**
Car park development reserve	**0**	0	0	**0**	(9)	331	**322**
Industrial rent reserve	**645**	(110)	0	**535**	(110)	0	**425**
Abbey Gardens donation reserve	**39**	0	0	**39**	0	0	**39**
Newmarket Stallion reserve	**21**	0	0	**21**	0	0	**21**
Communities against drugs reserve	**30**	(30)	0	**0**	0	0	**0**
Homelessness legislation reserve	**599**	(936)	944	**607**	(913)	1,117	**811**
Section 106 reserves							
Commuted maintenance reserve	**919**	(88)	11	**842**	(86)	698	**1,454**
Section 106: public service village reserve	**108**	(28)	0	**80**	0	0	**80**
Section 106 monitoring officer reserve	**75**	(52)	45	**68**	(66)	68	**70**
Section 106 revenue reserve	**146**	(19)	3	**130**	(50)	0	**80**
Other reserves							
Museums - Gershom Parkington bequest reserve	**567**	(5)	15	**577**	(8)	11	**580**
Economic development reserve	**5**	(5)	0	**0**	0	0	**0**
Total	**38,983**	**(14,358)**	**11,116**	**35,741**	**(13,615)**	**32,076**	**54,202**
Net movement in the year				**(3,242)**			**18,461**

* The government granted COVID-19 business rate reliefs to retail, hospitality and leisure services during 2020 to 2021, and compensated councils for these reliefs with a section 31 grant. These reliefs must be shown as a deficit on the council's share of business rates income for the year in the collection fund, and this deficit must be repaid by the council, by making a transfer from its general fund, in 2021 to 2022. Section 31 grant of £18 million was paid to the council's general fund in 2020 to 2021 and has been set aside in this reserve in order to fund the deficit repayment in 2021 to 2022.

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

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

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

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

BRR pilot place-based reserve – to hold the benefit from the Suffolk 100 per cent business rate retention pilot in 2018 to 2019. To be utilised against projects as agreed by the district and county leaders in West Suffolk. This reserve is fully committed across the medium term financial strategy.

Invest to save reserve – is used to finance up-front costs of delivering the council's shared services agenda.

Risk and recession reserve – This reserve was set up to mitigate financial risks, however the funds were transferred to other reserves during 2019 to 2020 and the council's general fund provides this contingency balance.

Business rates retention (BRR) Equalisation reserve – to neutralise the impact of any year on year fluctuations in growth or reduction of business rate income, under the business rates retention scheme. Contributions to the reserve during 2020 to 2021 include £18 million of Section 31 grant paid to the council to compensate it for lost business rates income as a result of COVID-19 rate reliefs awarded by the government to retail, hospitality and leisure services. The grant will be utilised in 2021 to 2022 to fund the repayment by the council of the resultant deficit on the collection fund.

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

Capital project financing reserve – to facilitate the capital financing requirements of the council and to account for fluctuations and timing differences in the expected spend profile and project financing costs.

Interest equalisation reserve – is to mitigate against possible adverse fluctuations in the interest rates received from the council's investments.

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

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

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

Planning delivery grant reserve - Grant funding received from central government set aside for development of the Planning service. Fully utilised in 2019 to 2020.

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

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

Professional fees reserve – has been set up to meet future professional fee obligations. Fully utilised in 2019 to 2020.

Anglia Revenues Partnership (ARP) reserve – Government Grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage.

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

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

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

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

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

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

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

Communities against drugs reserve - Monies set aside from grants received for future spend on crime reduction and associated initiatives. Fully utilised in 2019 to 2020.

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

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

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

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

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

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

Economic development reserve – contains funds received from the Local Authority Business Growth Incentive Scheme – LABGI. (LABGI grant is awarded to councils for successfully encouraging enterprise and employment in their local area). Fully utilised in 2019 to 2020.

Note 10 Other Operating Expenditure

This note provides further detail regarding the figures shown in respect of 'Other Operating Expenditure' in the Comprehensive Income and Expenditure Statement.

	2020 to 2021 £000	2019 to 2020 £000
Parish Council precepts	4,346	3,952
(Gains) or losses on the disposal of non-current assets	(1,242)	(647)
	3,104	**3,305**

Note 11 Financing and Investment Income and Expenditure

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

	2020 to 2021 £000	2019 to 2020 £000
Interest payable and similar charges	171	174
Interest receivable and similar income	(591)	(384)
Change in impairment allowance for doubtful debts	550	280
Net interest on the net defined benefit liability asset	1,365	1,830
	1,495	**1,900**

Note 12 Taxation and Non-Specific Grant Income

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

	2020 to 2021 £000	2019 to 2020 £000
Council tax Income	(14,199)	(13,680)
Business rates income and expenditure	(7,729)	(7,831)
Non-ringfenced government grants:		
Revenue Support Grant	(199)	(196)
Rural Services Delivery Grant	(173)	(173)
New Homes Bonus	(1,811)	(1,848)
COVID-19 Local Authority Support Grant	(2,558)	0
COVID-19 Sales, Fees and Charges Compensation	(3,841)	0
Capital Grants and contributions	(8,459)	(12,411)
	(38,969)	**(36,139)**

Note 13 Property, Plant and Equipment

Movements on balances

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

The note below details the movements on balances in the financial year ended 31 March 2021. Further details of the additions for the year can be found in Note 4 Material Items of Income and Expense.

2019 to 2020 - Previous Financial Year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2019	**1,498**	**177,059**	**17,218**	**4,197**	**654**	**3,171**	**10,299**	**214,096**
Additions	0	11,340	2,177	0	0	546	23,764	**37,827**
Revaluation increases recognised in the Revaluation Reserve	100	15,508	196	186	0	373	0	**16,363**
Revaluation (decreases) recognised in the Revaluation Reserve	(503)	(13,649)	0	0	0	(1,411)	0	**(15,563)**
Revaluation increases recognised in the Surplus / Deficit on the Provision of Services	0	4,444	0	0	0	16	0	**4,460**
Revaluation (decreases) recognised in the Surplus / Deficit on the Provision of Services	(18)	(4,203)	0	0	0	(701)	0	**(4,922)**
Derecognition - disposals	0	(859)	(836)	0	(5)	0	0	**(1,700)**
Assets reclassified between PPE categories	0	6,689	384	0	0	1,530	(8,603)	**0**
Reclassifications and transfers (to) or from Assets Held for Sale	0	(165)	0	0	0	0	0	**(165)**
Reclassifications and transfers (to) or from Investment Properties	0	11,864	0	0	0	80	0	**11,944**
At 31 March 2020	**1,077**	**208,028**	**19,139**	**4,383**	**649**	**3,604**	**25,460**	**262,340**

2019 to 2020 - Previous Financial Year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated Depreciation and Impairment								
At 1 April 2019	**(95)**	**(3,366)**	**(8,065)**	**(1,119)**	**0**	**0**	**0**	**(12,645)**
Depreciation Charge	(23)	(4,664)	(1,591)	(304)	0	(26)	0	**(6,608)**
Revaluation gains - depreciation written out to the Revaluation Reserve	42	1,807	44	5	0	0	0	**1,898**
Revaluation losses - depreciation written out to the Revaluation Reserve	72	919	0	0	0	0	0	**991**
Revaluation gains - depreciation written out to the Surplus / Deficit on the Provision of Services	0	231	0	0	0	0	0	**231**
Revaluation losses - depreciation written out to the Surplus / Deficit on the Provision of Services	1	521	0	0	0	4	0	**526**
Derecognition - disposals	0	84	778	0	0	0	0	**862**
Assets reclassified (to) / from Held for Sale	0	41	0	0	0	(22)	0	**19**
Other movements in depreciation and impairment	0	0	0	0	0	0	0	**0**
At 31 March 2020	**(3)**	**(4,427)**	**(8,834)**	**(1,418)**	**0**	**(44)**	**0**	**(14,726)**
<u>Net Book Value</u>								
At 31 March 2020	**1,074**	**203,601**	**10,305**	**2,965**	**649**	**3,560**	**25,460**	**247,614**
At 31 March 2019	**1,403**	**173,693**	**9,153**	**3,078**	**654**	**3,171**	**10,299**	**201,451**

2020 to 2021 - Current financial year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2020	**1,077**	**208,028**	**19,139**	**4,383**	**649**	**3,604**	**25,460**	**262,340**
Additions	0	3,964	1,344	0	0	1,040	18,186	**24,534**
Revaluation increases recognised in the Revaluation Reserve	0	20,503	0	1	0	194	0	**20,698**
Revaluation (decreases) recognised in the Revaluation Reserve	0	(10,092)	(50)	(26)	0	(213)	0	**(10,381)**
Revaluation increases recognised in the surplus or deficit on the Provision of Services	0	3,624	0	0	0	107	0	**3,731**
Revaluation (decreases) recognised in the Surplus or Deficit on the Provision of Services	0	(20,697)	0	0	0	(18)	0	**(20,715)**
Derecognition - disposals	0	(221)	(349)	0	0	0	0	**(570)**
Reclassifications and transfers (to) or from Assets Held for Sale	0	(311)	0	0	0	140	0	**(171)**
At 31 March 2021	**1,077**	**204,798**	**20,084**	**4,358**	**649**	**4,854**	**43,646**	**279,466**

2020 to 2021 - Current financial year	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infra-structure assets	Com-munity assets	Surplus assets	Assets under construc-tion	Total property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated Depreciation and Impairment								
At 1 April 2020	**(3)**	**(4,427)**	**(8,834)**	**(1,418)**	**0**	**(44)**	**0**	**(14,726)**
Depreciation Charge	(14)	(4,705)	(1,564)	(305)	0	(22)	0	**(6,610)**
Revaluation gains - depreciation written out to the Revaluation Reserve	0	3,804	0	0	0	0	0	**3,804**
Revaluation losses - depreciation written out to the Revaluation Reserve	0	1,524	14	8	0	0	0	**1,546**
Revaluation gains - depreciation written out to the Surplus or Deficit on the Provision of Services	0	500	0	0	0	0	0	**500**
Revaluation losses - depreciation written out to the Surplus or Deficit on the Provision of Services	0	898	0	0	0	0	0	**898**
Derecognition - disposals	0	16	322	0	0	0	0	**338**
Assets reclassified (to) or from Held for Sale	0	(19)	0	0	0	0	0	**(19)**
At 31 March 2021	**(17)**	**(2,409)**	**(10,062)**	**(1,715)**	**0**	**(66)**	**0**	**(14,269)**
Net Book Value								
At 31 March 2021	**1,060**	**202,389**	**10,022**	**2,643**	**649**	**4,788**	**43,646**	**265,197**
At 31 March 2020	**1,074**	**203,601**	**10,305**	**2,965**	**649**	**3,560**	**25,460**	**247,614**

Depreciation

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

- Council Dwellings: 50 to 70 years
- Other Land and Buildings: 1 to 80 years
- Vehicles, Plant, Furniture and Equipment: 1 to 85 years
- Infrastructure: 10 to 60 years.

Impairment

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

In 2020 to 2021 the West Suffolk Operational Hub was revalued by the council's appointed valuer Wilks, Head and Eve, using the Depreciated Replacement Cost (DRC) method. A net revaluation loss of £9.4 million has been reflected in the table above which is based on the BCIS cost information at the valuation date for the areas owned by the Council.

These costs are based on the same building being built in the same place and therefore may not include the original value of the ground works that were required prior to construction, the acquisition costs of the land and the costs of planning consent.

Capital Commitments

At 31 March 2021, the council had the following capital commitment:

17-18 Cornhill - £6.15 million.

The 17-18 Cornhill project combines bringing a vacant site back into use with two retail units as well as 12 residential flats whilst also improving the connection between the new shopping area and the old town centre.

The contract is between West Suffolk Council and Barnes Construction, with funding of £2.75 million being made available from New Anglia LEP as part of the Getting Building Fund Grant.

The total project cost is currently £9,800,000.

Revaluations

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

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

The valuations for 2020 to 2021 were prepared by Wilks, Head and Eve 3rd Floor, 55 New Oxford Street, London WC1A 1BS.

Due to the COVID-19 pandemic, our valuers have indicated that there may be a material uncertainty with some of the valuations provided. However, they are of the view that as at the valuation date the valuations produced are appropriate based on the comparable and cost data available at the valuation date.

The sectors which have the most uncertainty in its values are the retail sector and specific trading related sectors, such as car parks. The council's exposure to these sectors is relatively small as a proportion of its total asset base (£38.0 million Net Book Value of a total value of £273.1 million).

Work will continue to understand the potential level of uncertainty within the valuations as more market evidence becomes available.

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Com-munity Assets	Dwellings	Surplus Assets	Assets under Construc-tion	Total Property, Plant and Equipment
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Carried at historical	377	9,708	2,275	464	0	1,039	43,646	**57,509**
Valued at fair value								
31 January 2021*	156,564	313	368	0	0	1,917	0	**159,162**
31 January 2020*	5,244	0	0	0	1,061	297	0	**6,602**
31 January 2019*	33,882	0	0	0	0	0	0	**33,882**
31 January 2018*	1,508	0	0	185	0	1,535	0	**3,228**
31 March 2017	4,814	0	0	0	0	0	0	**4,814**
Total Net Book Value	**202,389**	**10,021**	**2,643**	**649**	**1,061**	**4,788**	**43,646**	**265,197**

*From the 2017 to 2018 Statement of Accounts onwards our predecessor authorities St Edmundsbury Borough and Forest Heath District Council were required to produce the statements 1 month earlier, by 31 May. In order to facilitate this the council has brought forward its asset valuations from 31 March to 31 January. A 'Letter of Comfort' is then provided by the Valuer confirming if the value of those assets is materially different as at 31 March.

Fair Value Hierarchy

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

Current Year Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March 2021 £000
Development Land	0	4,788	0	**4,788**
Total	**0**	**4,788**	**0**	**4,788**

Prior Year Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March 2020 £000
Development Land	0	3,560	0	**3,560**
Total	**0**	**3,560**	**0**	**3,560**

There were no transfers between levels during the year.

Valuation Techniques used to Determine Level 2 Fair Values

Significant Observable Inputs - Level 2

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

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

Note 14 Heritage Assets

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

Reconciliation of the Carrying Value of Heritage Assets held by the council

	Statues and Monu-ments £000	Arch-aeology £000	Social History £000	Fine and Decora-tive Art £000	Horology £000	Civic Regalia £000	Other Heritage Assets £000	Total Assets £000
Cost or Valuation								
At 1 April 2019	255	0	0	3,421	2,682	563	64	**6,985**
Transfers between componants	0	28	21	(305)	0	0	256	**0**
Disposals	0	0	0	(21)	0	0	0	**(21)**
Impairment/revaluation losses/(reversals) recognised in the Revaluation Reserve	0	0	0	0	(219)	0	0	**(219)**
Revaluation gains recognised in the Revaluation Reserve	0	127	50	228	129	0	8	**542**
Depreciation	(1)	0	0	0	0	0	(3)	**(4)**
At 31 March 2020	**254**	**155**	**71**	**3,323**	**2,592**	**563**	**325**	**7,283**
At 1 April 2020	254	155	71	3,323	2,592	563	325	**7,283**
Depreciation	(1)	0	0	0	0	0	(3)	**(4)**
At 31 March 2021	**253**	**155**	**71**	**3,323**	**2,592**	**563**	**322**	**7,279**

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

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

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

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

Additions, disposals and impairment of Heritage Assets

There have been no disposals or impairment of significant heritage asset items over the past 5 years. As such it has not been practical to include a statement of disposals or impairments over this period.
A summary of the valuations for a 5 year period has been included below for illustrative purposes only.

	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021
	£000	£000	£000	£000	£000
Valuations for illustrative purposes					
Statues and monuments	257	257	255	254	**253**
Archaeology	0	0	0	155	**155**
Social History	0	0	0	71	**71**
Fine and Decorative Art	3,393	3,421	3,421	3,323	**3,323**
Horology	2,682	2,682	2,682	2,592	**2,592**
Civic items	563	563	563	563	**563**
Other heritage assets	70	66	64	325	**322**
Total Heritage Assets	**6,965**	**6,989**	**6,985**	**7,283**	**7,279**

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

Note 15 Investment Properties

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

From 1 April 2019, our predecessor authorities Forest Heath District Council and St Edmundsbury Borough Council ceased to exist and the new West Suffolk Council was created.

In light of this, a thorough review of asset classifications took place in 2019 to 2020 to ensure that accounting treatments were consistently applied within West Suffolk Council.

Under section 4.4.1.2 of the code, the definition of an investment property is 'one that is used solely to earn rentals or for capital appreciation or both'. With this definition in mind, we decided to transfer all assets previously classed as investment properties to either Other Land and Buildings or Surplus Assets with effect from 1 April 2019 as these assets were acquired or developed for benefits to the wider community.

The following table summarises the movement in the fair value of investment properties over the year:

Fair Value Hierarchy

Details of the council's investment properties and information about the fair value hierarchy as at 31 March 2021 are as follows:

	2020 to 2021	**2019 to 2020**
	£000	**£000**
Balance at 1 April	**0**	**11,944**
Transfers to or from PPE categories	**0**	**(11,944)**
Balance at 31 March	**0**	**0**

There were no transfers between levels during the year.

Valuation Techniques used to Determine Level 2 Fair Values

Significant Observable Inputs - Level 2

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

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

Note 16 Intangible Assets

To the extent that the software is not an integral part of a particular IT system (and therefore accounted for under Property, Plant and Equipment), the council accounts for its software as intangible assets. These are purchased licenses and a website and do not include internally generated software.

All software is attributed a finite useful life, based on assessments of the period that the software is expected to be of use to the council. The useful lives assigned to the software suites currently used by the council range from 3 to 15 years. The website useful life is 20 years.

The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £0.79 million charged to revenue in 2020 to 2021 was charged to the owner service in the Net Expenditure on Services.

The movement on intangible asset balances during the year was as follows:

Purchased Assets	**2020 to 2021**	**2019 to 2020**
	£000	**£000**
Balance at 1 April		
- Gross carrying amounts	**1,047**	**1,047**
- Accumulated amortisation	**(819)**	**(715)**
Net carrying amount at start of year	**228**	**332**
Amortisation for the period	**(79)**	**(104)**
Net carrying amount at 31 March	**149**	**228**
Comprising:		
- Gross carrying amounts	**1,047**	**1,047**
- Accumulated amortisation	**(898)**	**(819)**
	149	**228**

Note 17 Debtors

Short Term Debtors

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

	31 March 2021 £000	31 March 2020 £000
Central Government Bodies *	17,482	1,104
Other Local Authorities **	5,716	2,989
Housing Associations	441	1,342
Council Tax or Business Rate Payers and Housing Benefit Debtors	2,713	2,889
Trade Debtors	4,450	3,718
Other Entities and Individuals	650	605
Total Short-term Debtors	**31,452**	**12,647**

* The increase is primarily due to £14.039 million in relation to the government's share of the year end deficit on the collection fund caused by the COVID-19 reliefs given to businesses in the retail, hospitality and leisure sectors.

** The increase is primarily due to £2.905 million in relation to Suffolk County Council's share of the year end deficit on the collection fund caused by the COVID-19 reliefs given to businesses in the retail, hospitality and leisure sectors.

Long Term Debtors

	31 March 2021 £000	31 March 2020 £000
Mortgages and long term loans *	7,543	2,425
Total Long-term Debtors	**7,543**	**2,425**

* The increase relates to £3.3 million loan advanced to Barley Homes Group and £1.9m loan advanced to Haverhill Research Park.

Note 18 Cash and Cash Equivalents

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

	31 March 2021 £000	31 March 2020 £000
Cash Held by the Council	3	6
Bank Current or Instant Access Accounts	22,647	18,881
Total Cash and Cash Equivalents	**22,650**	**18,887**

Note 19 Financial Instruments

Categories of Financial Instruments

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

	Long-term 31 March 2021 £000	Current 31 March 2021 £000	Long-term 31 March 2020 £000	Current 31 March 2020 £000
IFRS 9 BASIS				
Investments				
Amortised Cost				
Money market loans (Long-term and Short-term Investments)	550	8,516	389	12,015
Equity Invesments	601	0	0	0
Cash and Cash Equivalents	0	22,650	0	18,887
Total Investments	**1,151**	**31,166**	**389**	**30,902**
Debtors				
Amortised Cost	7,543	5,333	2,425	5,400
Total Debtors	**7,543**	**5,333**	**2,425**	**5,400**
Borrowings				
Financial liabilities at amortised cost	4,000	2	4,000	2
Total Borrowings	**4,000**	**2**	**4,000**	**2**
Creditors				
Financial liabilities at amortised cost	8,461	4,336	5,513	5,135
Total Creditors	**8,461**	**4,336**	**5,513**	**5,135**

Income, Expense, Gains and Losses

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

	2020 to 2021			2019 to 2020		
2020 to 2021	**Financial liabilities measured at amortised cost**	**Financial Assets: Amortised cost**	**Total**	**Financial liabilities measured at amortised cost**	**Financial Assets: Amortised cost**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Interest expense	170	0	**170**	171	0	**171**
Total expense in Surplus or Deficit on the Provision of Services	**170**	**0**	**170**	**171**	**0**	**171**
Interest income	0	(417)	**(417)**	0	(541)	**(541)**
Total income in Surplus or Deficit on the Provision of Services	**0**	**(417)**	**(417)**	**0**	**(541)**	**(541)**
Net (gains) or loss for the year	**170**	**(417)**	**(247)**	**171**	**(541)**	**(370)**

Fair Values of Assets and Liabilities

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

The fair values calculated are as follows:

	31 March 2021		31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Liabilities Held at Amortised Cost				
Financial liabilities	4,338	4,338	5,137	5,137
Long-term creditors or Borrowings	12,461	15,461	9,513	12,405
Total liabilities	**16,799**	**19,799**	**14,650**	**17,542**
Financial Assets Held at Amortised Cost				
Money market loans:				
Short-term investments	8,516	8,530	12,015	11,925
Long-term investments	1,151	1,151	0	0
Cash and Cash Equivalents	22,650	22,593	18,887	18,830
Financial assets (debtors)	5,333	5,333	5,400	5,400
Trade and other debtors	7,543	7,543	2,425	2,425
Total assets	**45,193**	**45,150**	**38,726**	**38,579**

In overall terms, the fair value of the investments is £0.042 million less than the book value at 31 March 2021.

Long term creditors relate to the long term loan agreement of £4 million which was entered into on 31 March 2008 with Barclays Bank PLC on Lenders Option Borrowers Option (LOBO) terms. In 2016 to 2017 Barclays wrote to the council confirming their decision to waive their right to change the applicable interest rate of this loan, effectively changing this loan to a fixed rate loan.

Long term creditors also include £6.2 million of grants and contributions received in advance and £2.3 million for COVID-19 grants received in advance.

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

Short term debtors and creditors are carried at cost as this is a fair approximation of their value. Further details of debtors and creditors are found in Note 17 and Note 20.

Note 20 Creditors

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

	31 March 2021 £000	31 March 2020 £000
Central Government Bodies *	38,179	6,640
Other Local Authorities	3,653	3,814
Trade Creditors	2,311	2,520
Receipts in Advance	2,903	5,097
Other Entities and Individuals	2,025	1,841
Total Short-term Creditors	**49,071**	**19,912**

* The increase includes £23.421 million of Section 31 grant relating to lost business rates income as a result of COVID-19 reliefs given to businesses in the retail, hospitality and leisure sectors. The government decided to compensate billing authorities (including West Suffolk) for 100 per cent of these reliefs during the year, to assist with the councils' cash flow. This was because, under collection fund rules, the billing authorities still had to pay business rates precepts based on pre-relief collection rates. At the end of the year, the government carried out a reconciliation exercise to ensure that the billing authorities retained only their statutory proportionate share of the grant.

The increase also includes £7.305 million relating to COVID-19 Local Restrictions Support Grant which the council, acting as an agent, distributes on behalf of central government. Any unclaimed sums will be repayable to central government.

Note 21 Provisions

The table below shows the movements in the council's provisions during the 2020 to 2021 financial year:

	2020 to 2021		2019 to 2020	
	Long Term Provision £000	Short Term Provision £000	Long Term Provision £000	Short Term Provision £000
Balance as at 1 April	**(390)**	**(4,141)**	**(200)**	**(5,895)**
100% Pilot provision movement *	**0**	**0**	**0**	**2,848**
Additional provisions made in the year	**(85)**	**(1,896)**	**(190)**	**(1,310)**
Amounts utilised in the year	**0**	**186**	**0**	**216**
Balance as at 31st March	**(475)**	**(5,851)**	**(390)**	**(4,141)**

* The opening balance in 2019 to 2020 included the council's share of the Business Rates Retention Scheme appeals provision under the 100 per cent Pilot Scheme for 2018

to 2019. The council was not a pilot authority for 2019 to 2020, so the share of the appeals provision reverted back to the 50 per cent Business Rate Retention Scheme.

Long term provisions

The provision of £475,000 relates to accumulated compensated staff absences.

Short term provisions

The provision of £5,851,000 is composed of:

- £199,000 relating to a structural defect claim in respect of a previously owned asset
- £5,652,000 relating to Business Rate Retention Scheme appeals.

The latter is a provision under the system of business rate retention and relates to West Suffolk's share of billing authorities' estimates of the provision required for potential refunds relating to retrospective alterations to the rating list for those appeals that are already lodged with the Valuation Office as at 31st March 2020.

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

Note 22 Unusable Reserves

The balances on the council's unusable reserves as at 31 March 2021 are as follows:

	31 March 2021 £000	31 March 2020 £000
Revaluation Reserve	**77,943**	63,696
Capital Adjustment Account	**153,834**	154,072
Pensions Reserve	**(90,135)**	(58,887)
Deferred Capital Receipts Reserve	**137**	137
Collection Fund Adjustment Account	**(16,666)**	818
Accumulated Absences Account	**(475)**	(390)
Total Unusable Reserves	**124,638**	**159,446**

Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost

- used in the provision of services and the gains are consumed through depreciation, or

- disposed of and the gains are realised.

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	**63,696**	**63,130**
Upward revaluation of Assets	24,502	18,800
Upward or (downward) revaluation of assets and impairment losses not charged to the surplus or deficit on the Provision of Services	(8,833)	(14,790)
Surplus on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Service	**15,669**	**4,010**
Difference between fair value depreciation and historical cost depreciation	(1,422)	(2,749)
Accumulated gains on assets sold or scrapped	0	(695)
Balance at 31 March	**77,943**	**63,696**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the council. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

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

	31 March 2021 £000	31 March 2021 £000	31 March 2020 £000
Balance at 1 April		**154,072**	**140,537**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement			
- Charges for depreciation and impairment of non-current assets	(6,616)		(6,612)
- Revaluation gains or (losses) on Property, Plant and Equipment	(15,586)		296
- Amortisation of Intangible Assets	(79)		(103)
- Revenue expenditure funded from capital under statute	(1,738)		(1,346)
- Amounts of of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(232)		(859)
		(24,251)	**(8,624)**
Adjusting amounts written out of the Revaluation Reserve		1,422	3,444
Net written out amount of the cost of non-current assets consumed in the year		**(22,829)**	**(5,180)**
Capital Financing applied in the year:			
- Use of the Capital Receipts Reserve to finance new capital expenditure	7,718		652
- Use of the Capital Receipts Reserve to finance new capital loans	0		0
- Use of Revenue Reserves to finance new capital loans	0		0
- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,368		13,205
- Application of grants to capital financing from the Capital Grants Unapplied Account	0		96
Capital Expenditure charged against the General Fund Balance	5,166		4,368
		22,252	**18,321**
Minimum Revenue Provision		519	394
Loan Principal Repayments		(180)	0
Balance at 31 March		**153,834**	**154,072**

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. Further details on the charge for the year are in Note 33 Defined Benefit Pension Scheme.

The movements in the Pensions Reserve were as follows:

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	**(58,887)**	**(74,804)**
Remeasurements of the net defined benefit liability or (asset)	(28,885)	20,268
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(8,404)	(10,259)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,041	5,908
Balance at 31 March	**(90,135)**	**(58,887)**

Deferred Capital Receipts Reserve

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	**137**	**137**
Balance at 31 March	**137**	**137**

Collection Fund Adjustment Account

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

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	**818**	**(138)**
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(319)	(43)
Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(17,165)	999
Balance at 31 March	**(16,666)**	**818**

Accumulated Absences Account

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	**(390)**	**(200)**
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(85)	(190)
Balance at 31 March	**(475)**	**(390)**

Note 23 Cash flow statement – operating activities

The cash flows for operating activities include the following items:

	2020 to 2021 £000	2019 to 2020 £000
Interest paid	170	171
Interest received	(417)	(541)
Dividends received	(11)	(46)
	(258)	**(416)**

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

	2020 to 2021 £000	2019 to 2020 £000
Depreciation	(6,616)	(6,612)
Amortisation	(79)	(103)
Impairment and upward or (downward) valuations	(15,586)	296
(Increase) or decrease in revenue creditors	(29,358)	(4,806)
(Increase) or decrease in provisions	(1,795)	1,564
Increase or (decrease) in revenue debtors and payments in advance	25,650	(1,301)
Increase or (decrease) in inventories	13	24
Movement in pensions liability	(2,363)	(4,351)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised (property, plant and equipment, investment property and intangible assets)	1,243	647
Other non-cash items charged to the net surplus or deficit on the provision of services	(17,484)	956
	(46,375)	**(13,686)**

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

	2020 to 2021 £000	2019 to 2020 £000
Capital grants credited to surplus or (deficit) on the provision of services	9,368	13,205
Any other items for which the cash effects are investing or financing cash flows	(1,738)	(1,346)
	7,630	**11,859**

Note 24 Cash flow statement – investing activities

The cash flows for investing activities include the following items:

	2020 to 2021 £000	2019 to 2020 £000
Purchase of property, plant and equipment, investment property and intangible assets	24,733	48,330
Purchase or (sale) of short-term and long-term investments	(2,319)	(19,170)
Other payments for investing activities	2,185	1,750
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,369)	(1,972)
Proceeds from short-term and long-term investments	(417)	(541)
Other receipts from investing activities	(13,598)	(22,678)
Net cash flows from investing activities	**8,215**	**5,719**

Note 25 Cash flow statement – financing activities

The cash flows for financing activities include the following items:

	2020 to 2021 £000	2019 to 2020 £000
Billing authorities - council tax and national non-domestic rates adjustments	17,484	(956)
Net cash flows from financing activities	**17,484**	**(956)**

Note 26 Trading operations

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. The council has several cost centres which it classes under trading operations in the Comprehensive Income and Expenditure Statement. These cost centres are held for different reasons and have the ability to generate income for the council. Industrial sites, business units and shops are run on a commercial basis. However, it is also the intention that they support the council's Growth strategic priority.

		2020 to 2021 £000	2019 to 2020 £000
Industrial, Business Units and Shops	Turnover	(6,239)	(6,504)
	Expenditure	3,445	3,455
	(Surplus) or Deficit	**(2,794)**	**(3,049)**
Trade Refuse	Turnover	(2,555)	(2,847)
	Expenditure	2,348	2,560
	(Surplus) or Deficit	**(207)**	**(287)**
Markets	Turnover	(172)	(361)
	Expenditure	329	476
	(Surplus) or Deficit	**157**	**115**
Net Surplus on Trading Operations		**(2,844)**	**(3,221)**

Industrial and Business Sites

The council owns and operates a number of industrial sites and business units in the district. The trading objective is to generate an operating surplus where possible whilst also enabling businesses to offer local services within the community.

Trade Refuse

The council operates a Trade Refuse service on a commercial basis. The objective of this service is to break even as a minimum, and to generate a trading surplus where possible to reinvest into supporting the delivery of council services.

Markets

The council operates a number of markets in the borough. The primary trading objective of the council's markets is to contribute towards economic regeneration and tourism in the district.

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. The income and expenditure of these operations are allocated to headings in the Cost of Services.

Note 27 Members Allowances

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

	2020 to 2021 £000	2019 to 2020 £000
Allowances	519	509
Expenses	2	27
Total Members Allowances and Expenses	**521**	**536**

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

www.westsuffolk.gov.uk

Note 28 Officers' Remuneration

Senior Officers' Remuneration

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

Post	Year	Salaries, Fees and Allow-ances	Expense Allow-ances	Benefits in kind	Pension Contrib-ution	Total
		£	£	£	£	£
Chief Executive	**2020 to 2021**	**141,281**	**0**	**10,633**	**41,419**	**193,333**
	2019 to 2020	136,875	0	7,596	40,629	185,100
Director	**2020 to 2021**	**107,887**	**0**	**5,037**	**31,629**	**144,553**
	2019 to 2020	100,313	0	4,815	29,776	134,904
Director	**2020 to 2021**	**107,887**	**0**	**2,457**	**31,629**	**141,973**
	2019 to 2020	100,313	0	3,552	29,776	133,641
Assistant Director HR, Legal and Democratic *	**2020 to 2021**	**86,310**	**1,239**	**0**	**25,303**	**112,852**
	2019 to 2020	58,297	1,239	0	21,822	81,358
Assistant Director Families and Communities	**2020 to 2021**	**86,310**	**1,026**	**0**	**25,303**	**112,639**
	2019 to 2020	80,250	846	0	23,821	104,917
Assistant Director Operations	**2020 to 2021**	**87,851**	**0**	**8,231**	**25,755**	**121,837**
	2019 to 2020	84,000	0	7,204	24,934	116,138
Assistant Director Growth	**2020 to 2021**	**86,310**	**634**	**3,035**	**25,303**	**115,282**
	2019 to 2020	80,250	0	6,141	23,821	110,212
Assistant Director Resources and Performance (S151 Officer)	**2020 to 2021**	**90,134**	**1,239**	**0**	**26,769**	**118,142**
	2019 to 2020	85,010	674	2,867	25,305	113,856
Assistant Director Planning and Regulatory **	**2020 to 2021**	**94,271**	**1,248**	**0**	**25,498**	**121,017**
	2019 to 2020	80,250	1,239	0	23,821	105,310

* The postholder was on maternity leave during 2019 to 2020.
** The postholder left on 4 April 2021. The above figures include all pay and outstanding leave up to that point.

General Notes

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

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

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

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

Remuneration Bands – Other Officers

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

Remuneration Band	2020 to 2021 Number of Employees	2019 to 2020 Number of Employees
£50,000 to £54,999	**13**	12
£55,000 to £59,999	**14**	19
£60,000 to £64,999	**11**	5
£70,000 to £74,999	**1**	0

Three of the postholders in the £60,000 to £64,999 band, work for Anglia Revenues Partnership. Whilst they are employed by West Suffolk Council, their salary costs are shared across the five councils who make up the partnership.

Exit Packages

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

Exit package cost band (including special payments)	Number of compulsory redundancies (a)		Number of other departures agreed (b)		Total number of exit packages by cost band (a) + (b)		Total cost of exit packages in each band	
	2020 to 2021	2019 to 2020	**2020 to 2021**	2019 to 2020	**2020 to 2021**	2019 to 2020	**2020 to 2021**	2019 to 2020
	Number	Number	**Number**	Number	**Number**	Number	**£**	£
£0 - £20,000	**3**	2	**1**	4	**4**	6	**25,240**	27,520
£20,001 - £40,000	**1**	1	**0**	0	**1**	1	**27,887**	37,962
£80,001 - £100,000	**1**	2	**0**	1	**1**	3	**80,548**	268,483
Total	**5**	5	**1**	5	**6**	10	**133,675**	333,965

Note 29 Grant Income

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

	2020 to 2021 £000	2019 to 2020 £000
Credited to Taxation and Non-specific Grant Income and Expenditure		
Revenue Support Grant	199	196
Business Rates - Baseline Funding and Section 31 Grants *	22,559	7,831
New Homes Bonus	1,811	1,848
Rural Services Delivery Grant	173	173
COVID-19 Local Authority Support Grant	2,558	0
COVID-19 Sales, Fees & Charges Compensation	3,841	0
COVID-19 Local Tax Compensation	566	0
Capital Grants and Contributions	8,459	12,411
Total credited to Taxation and Non-specific Grant Income and Expenditure	**40,166**	**22,459**
Credited to Services		
Revenue Grants and Contributions:		
Housing Benefits Subsidy	30,086	32,361
Housing Benefits, Business Rates and Council Tax Administration Subsidy	798	802
Homelessness/Rough Sleeping Grants	1,002	806
COVID-19 Small Business, Retail, Hospitality and Leisure Funding **	497	0
COVID-19 New Burdens Funding	613	0
COVID-19 Council Tax Hardship Funding **	1,038	0
COVID-19 Job Retention Scheme Grant	193	0
COVID-19 Sales, Fees & Charges (SFC) Compensation	116	0
COVID-19 Arts Council Culture Recovery Grant	460	0
COVID-19 Self Isolation Payments Funding **	154	0
COVID-19 Additional Restrictions Funding **	2,971	0
COVID-19 Re-opening High Streets Safety Fund	101	0
COVID-19 Next Steps Accommodation Programme Funding	175	0
COVID-19 Clinically Extremely Vulnerable (CEV) Funding	380	0
COVID-19 Home But Not Alone (HBNA) Funding	118	0
COVID-19 Other Enforcement Funding	190	0
Other Grants and Contributions	125	166
Capital Grants and Contributions:		
S106 Grants and Other Grants	227	0
Disabled Facilities Grant	683	793
Total credited to services	**39,927**	**34,928**

* The 2020 to 2021 figure includes section 31 grant in relation to COVID-19 reliefs given to retail, hospitality and leisure businesses. The grant will be used to fund the deficit on the collection fund to be transferred from the council's general fund in 2021 to 2022.
** These COVID-19 grants are the discretionary elements of funds made available by central government to support local businesses and council taxpayers through the pandemic. They have not been used to support council services. Payments of these grants to businesses and taxpayers have also been reflected in the Comprehensive Income and Expenditure Statement.

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

	2020 to 2021 **£000**	**2019 to 2020** **£000**
Grants and Contributions Received in Advance		
Growth Area Initiative Grant	966	966
Disabled Facilities Grant	1,270	616
Developer Contributions	3,112	3,236
Land Release Fund	450	0
COVID-19 Additional Restrictions Grant	2,200	0
COVID-19 Other grants received in advance	98	0
Other Grants	365	695
Total	**8,461**	**5,513**

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

	Received in 2020 to 2021 **£000**	**Spent in 2020 to 2021** **£000**	**Balance at 31 March 2021** **£000**
COVID-19 Agency Grants			
COVID-19 Small Business, Retail, Hospitality and Leisure Grant	38,073	(38,063)	10
COVID-19 Christmas Support Payments Grant	90	(84)	6
COVID-19 Self-Isolation Mandatory Grant	114	(86)	28
COVID-19 Local Restrictions Support Grant	22,168	(14,863)	7,305
COVID-19 Sport England Leisure Recovery Grant	418	(417)	1
COVID-19 Local Welfare Assistance Scheme	250	0	250
Total	**61,113**	**(53,513)**	**7,600**

Note 30 Related Parties

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

Central Government

Central government has effective control over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, provides a significant proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (for example council tax bills, housing benefits). Details on grants received from government departments are set out in Note 12 Taxation and Non Specific Grant Income and Note 29 Grant Income.

Members and Senior Staff

Members of the council have direct control over its financial and operating policies. The total of members' allowances paid in 2020 to 2021 is shown in Note 27 Members' Allowances.

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

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

Mildenhall Dome Joint Management Committee
Mildenhall Museum Trust
National Horseracing Museum
New Anglia Local Enterprise Partnership (LEP) Board
Newmarket Vision Steering Group
One Haverhill
Our Bury St Edmunds (BID4BURY) Board
Our Greenest County Board (SCC)
Rural Services Network
Southgate Community Partnership
St John's Centre Trustees Bury St Edmunds
Stiff's Alms-houses Charity Trustees, Rougham
Suffolk County Council – Health and Wellbeing Board
Suffolk County Council – Health Scrutiny Committee
Suffolk Flood Management Joint Scrutiny Committee
Suffolk Joint Emergency Planning Policy Panel
Suffolk Police and Crime Panel
Suffolk Waste Partnership
Suffolk West Citizens Advice Bureau
Theatre Royal Management Board
West Stow Anglo-Saxon Village Trust
Western Suffolk Community Safety Partnership
Verse Facilities Management Ltd

During 2020 to 2021 the council made grant payments totalling £402,415 (2019 to 2020 £408,485) to organisations on which members served. Transactions with Barley Homes (Group) Ltd and Verse Facilities Management Ltd are disclosed separately below.

During 2020 to 2021 there were no transactions of a material nature, to either the council or related third parties, involving members of the council serving in a personal capacity.

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

Anglia Revenues Partnership – Joint Committee

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

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

	2020 to 2021 £000	2019 to 2020 £000
Income and expenditure in respect of related party transactions during the year		
Expenses	3,204	3,018
Income	(838)	(775)
	2,366	**2,243**

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

www.angliarevenues.gov.uk

Anglia Revenues Partnership Trading Limited

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

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

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

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

Abbeycroft Leisure

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

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

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

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

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

West Suffolk Council continues to pay a management fee agreed annually in advance. The council is consulted on the business plans of Abbeycroft Leisure prior to the agreement of the management fee, amounting to £236,000 in 2020 to 2021 (£390,000 in 2019 to 2020).

During 2020 to 2021 Abbeycroft Leisure's ability to operate was impacted by the pandemic and resulting COVID-19 lockdown restrictions. The council gave Abbeycroft financial assistance towards covering running costs of the leisure centres whilst closed, and to contribute to losses incurred, amounting to £324,300. This assistance was funded from the COVID-19 Local Authority Support Grant received by the council from the government. In addition, the council made available a £1 million loan facility to ensure the Trust remained viable and able to reopen as part of West Suffolk's COVID-19 recovery response.

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

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

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

www.acleisure.com

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

The council has a statutory agency agreement with Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk to collect council tax on their behalf to meet their precepts. Under this arrangement the council has collected £87.933 million in 2020 to 2021 (£82.853 million in 2019 to 2020). At 31 March 2020 the council held council tax debtors on behalf of Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk, totalling £0.206 million (2019 to 2020 £0.893 million creditors).

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

Suffolk County Council – West Suffolk House Joint Committee

West Suffolk Council and Suffolk County Council have a joint committee for the purpose of overseeing the operation of their shared office building in Bury St Edmunds, West Suffolk House. The agreement between the councils provides for each authority sharing costs on an equal basis. The amounts of the council's share of expenditure incurred by the West Suffolk House Joint Committee are included within the council's Comprehensive Income and Expenditure Statement and Balance Sheet. The council's net contribution to the operational costs of the building during 2020 to 2021 was £0.502 million (£0.488 million 2019 to 2020).

Verse Facilities Management Limited

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

The financial share of the company is split 60:40 between the shareholders. There was no dividend payment received by West Suffolk in 2020 to 2021 (£30,400 was received in 2019 to 2020). This receipt is reflected in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Account.

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

	2020 to 2021	**2019 to 2020**
	£000	**£000**
Verse Facilities Management Ltd - Results		
Turnover	1,425	1,679
Profit on Ordinary Activities before Taxation	102	51
Net Assets	204	204

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

Copies of Verse Facilities Management Ltd.'s accounts may be obtained by contacting them at:
Beacon House, Landmark Business Park, Whitehouse Road, Ipswich IP1 5PB

Barley Homes (Group) Limited

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

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

The council has a full working capital loan agreement with Barley Homes, allowing the company to draw down the loan as needed subject to a maximum advance of £0.6 million. The Company had drawn down all of this loan by November 2018.

In addition to the working capital loan, the council also has a Facilities Agreement with Barley Homes amounting to £14.25 million. This loan facility, agreed in December 2020, is to be used for the purposes of capital development of housing sites (including land purchase). As at 31 March 2021, the Company had drawn down £4.65 million.

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

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

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

	2020 to 2021 £000	2019 to 2020 £000
Barley Homes Group Limited - Results Statement		
Turnover	0	0
Loss on Ordinary Activities	282	171
Net Liabilities	(513)	(830)

These transactions and balances are not included within the council's single entity accounts, but they are included in the group accounts on page 108 and are the draft company results.

Note 31 Capital Expenditure and Capital Financing

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

	2020 to 2021 Purchased Assets £000	2019 to 2020 Purchased Assets £000
Opening Capital Financing Requirement	**40,006**	**18,167**
Capital investment		
Property, Plant and Equipment	**24,534**	37,828
Revenue expenditure funded from capital under statute	**1,737**	1,346
Loans and advances treated as capital expenditure	**5,799**	1,380
Purchase of shares in subsidiarys	**600**	0
Sources of Finance		
Capital receipts	**(7,718)**	(652)
Government grants and other contributions	**(9,369)**	(13,301)
Sums set aside from revenue		
Direct revenue contributions	**(5,166)**	(4,368)
Loan Repayment adjustment	**(500)**	0
Minimum Revenue Provision	**(519)**	(394)
Closing Capital Financing Requirement	**49,404**	**40,006**
Explanation of movements in year		
Increase or (decrease) in underlying need to borrowing (supported by government financial assistance)	**0**	0
Increase or (decrease) in underlying need to borrowing (unsupported by government financial assistance)	**9,398**	21,839
	9,398	**21,839**

Note 32 Leases

Council as Lessee:

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

Operating Leases

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

- Car Leases – 3 years
- Land used for cultural services
- Temporary Accommodation

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

	2020 to 2021 £000	2019 to 2020 £000
Not later than one year	162	133
Later than one year and not later than five years	412	336
Later than five years	4,039	3,983
Balance as at 31 March carried forward	**4,613**	**4,452**

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

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

Council as Lessor:

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

Finance Leases

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

Operating Leases

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

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

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

	2020 to 2021	**2019 to 2020**
	£000	**£000**
Not later than one year	5,348	5,526
Later than one year and not later than five years	12,504	14,121
Later than five years	92,535	95,753
Balance as at 31 March carried forward	**110,387**	**115,400**

The minimum lease payments receivable does not include rents that are contingent on events taking place after the leases were entered into. There were £450,696 contingent rents receivable in 2020 to 2021 (£455,000 in 2019 to 2020) by the Authority for a percentage of rents received from retail tenants occupying Mildenhall town centre shopping precinct and land used for the Guineas shopping centre at Newmarket.

Note 33 Defined Benefit Pension Schemes

Participation in Pension Schemes

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

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

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

www.suffolk.gov.uk

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

www.lge.gov.uk

Transactions relating to Post-Employment Benefits

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

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

	2020 to 2021 £000	2019 to 2020 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
Service costs comprising:		
Current service cost	6,978	8,339
Past service costs (including curtailments)	61	90
Financing and Investment Income and Expenditure		
Net Interest Expense	1,365	1,830
Total post-employment benefits charged to the surplus or deficit on the provision of services	**8,404**	**10,259**
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(32,632)	14,384
Actuarial (gains) and losses arising on changes in demographic assumptions	60,488	(19,635)
Actuarial (gains) and losses arising on changes in financial assumptions	3,597	(5,407)
Other (if applicable)	(2,568)	(9,610)
Sub-total: Actuarial (gains) and losses	**28,885**	**(20,268)**
Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	**37,289**	**(10,009)**
Movement in Reserves Statement		
Reversal of net credits or (charges) made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the code of practice	(8,404)	(10,259)
Actual amount charged against the General Fund Balance for pensions in the year	**28,885**	**(20,268)**
Employers' contributions payable to scheme	**6,041**	**5,908**

Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2020 to 2021 £000	2019 to 2020 £000
Present value of the defined benefit obligation	(306,516)	(238,635)
Fair value of plan assets	216,381	179,748
Net liability arising from defined benefit obligation	**(90,135)**	**(58,887)**

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

	2020 to 2021 £000	2019 to 2020 £000
Opening fair value of scheme assets	**179,748**	**189,919**
Interest income	4,130	4,563
Remeasurement gains or (loss):		
The return on plan assets, excluding the amount included in the net interest expense	32,632	(14,384)
Contributions from employer	5,928	5,797
Contributions from employees into the scheme	1,331	1,255
Contributions in respect of unfunded benefits	113	111
Benefits paid	(7,388)	(7,402)
Unfunded benefits paid	(113)	(111)
Closing fair value of scheme assets	**216,381**	**179,748**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2020 to 2021 £000	2019 to 2020 £000
Opening balance at 1 April	**238,635**	**264,723**
Current service cost	6,978	8,339
Interest cost	5,495	6,393
Contributions from scheme participants	1,331	1,255
Remeasurement (gains) and losses:		
Actuarial (gains) or losses arising from changes in demographic assumptions	60,488	(19,635)
Actuarial (gains) or losses arising from changes in financial assumptions	3,597	(5,407)
Other (if applicable)	(2,568)	(9,610)
Past service cost	61	90
Benefits paid	(7,388)	(7,402)
Unfunded benefits paid	(113)	(111)
Closing fair value of scheme liabilities	**306,516**	**238,635**

Local Government Pension Scheme assets comprised:

Current Year Asset Category	2020 to 2021 Quoted prices in active markets	2020 to 2021 Quoted prices not in active markets	2020 to 2021 Total	2020 to 2021 Percentage of total assets
	£000	**£000**	**£000**	**%**
Equity Securities:				
Consumer	5,243	0	**5,243**	**2%**
Manufacturing	3,001	0	**3,001**	**1%**
Energy and Utilities	703	0	**703**	**0%**
Financial Instruments	2,859	0	**2,859**	**1%**
Health and Care	1,382	0	**1,382**	**1%**
Information Technology	1,167	0	**1,167**	**1%**
Other	2,902	0	**2,902**	**1%**
	17,257	**0**	**17,257**	**7%**
Debt Securities:				
Corporate Bonds (Investment Grade)	47,382	0	**47,382**	**22%**
	47,382	**0**	**47,382**	**22%**
Private Equity:				
All	**2,189**	**6,462**	**8,651**	**4%**
Real Estate:				
UK Property	**16,891**	**0**	**16,891**	**8%**
Investment Funds and Unit Trusts:				
Equities	92,335	0	**92,335**	**43%**
Bonds	8,414	0	**8,414**	**4%**
Hedge Funds	11,690	0	**11,690**	**5%**
Infrastructure	0	5,653	**5,653**	**3%**
Other	0	4,920	**4,920**	**2%**
	112,439	**10,573**	**123,012**	**57%**
Derivatives:				
Foreign Exchange	**-18**	**0**	**-18**	**0%**
Cash and Cash Equivalents:				
All	**3,206**	**0**	**3,206**	**2%**
Totals	**199,346**	**17,035**	**216,381**	**100%**

Prior Year Asset Category	2019 to 2020 Quoted prices in active markets	2019 to 2020 Quoted prices not in active markets	2019 to 2020 Total	2019 to 2020 Percent-age of Total Assets
	£000	£000	£000	%
Equity Securities:				
Consumer	4,534	0	**4,534**	**3%**
Manufacturing	1,928	0	**1,928**	**1%**
Energy and Utilities	857	0	**857**	**0%**
Financial Instruments	2,092	0	**2,092**	**1%**
Health and Care	1,385	0	**1,385**	**1%**
Information Technology	738	0	**738**	**0%**
Other	1,508	0	**1,508**	**1%**
	13,042	**0**	**13,042**	**7%**
Debt Securities:				
Corporate Bonds (Investment Grade)	40,256	0	**40,256**	**22%**
	40,256	**0**	**40,256**	**22%**
Private Equity:				
All	**1,494**	**6,307**	**7,801**	**4%**
Real Estate:				
UK Property	**17,393**	**0**	**17,393**	**10%**
Investment Funds and Unit Trusts:				
Equities	60,074	0	**60,074**	**33%**
Bonds	14,558	0	**14,558**	**8%**
Hedge Funds	10,707	0	**10,707**	**6%**
Infrastructure	0	9,754	**9,754**	**5%**
Other		3,126	**3,126**	**2%**
	85,339	**12,880**	**98,219**	**54%**
Derivatives:				
Foreign Exchange	**75**	**0**	**75**	**1%**
Cash and Cash Equivalents:				
All	**2,962**	**0**	**2,962**	**2%**
Totals	**160,561**	**19,187**	**179,748**	**100%**

Basis for Estimating Assets and Liabilities

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

The liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Suffolk County Council Fund being based on the latest full valuation of the scheme as at 31 March 2020.

The significant assumptions used by the actuary have been:

	2020 to 2021	2019 to 2020
Mortality assumptions:		
Longevity at age 65 for current pensioners:		
- Men	**22.1 years**	**21.9 years**
- Women	**24.5 years**	**24.1 years**
Longevity at age 65 for future pensioners:		
- Men	**23.2 years**	**22.7 years**
- Women	**26.4 years**	**25.6 years**
Financial assumptions:		
Rate of increase in pensions	**2.9%**	**1.9%**
Rate of increase in salaries	**3.6%**	**2.6%**
Rate for discounting scheme liabilities	**2.0%**	**2.3%**

Sensitivity Analysis

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

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

Impact on the defined benefit obligation in the scheme	Approximate percentage increase to employer liability	Approximate monetary amount
	%	£000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2%	5,661
1 year increase in member life expectancy	4%	12,261
Rate of increase in pensions (increase or decrease by 0.1%)	2%	5,028

Impact on the council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The contributions paid by the employer are set by the fund Actuary at each triennial valuation, the most recent formal valuation being 31 March 2019. The next formal triennial valuation is due to be completed on 31 March 2022.

The council anticipates paying £5.846 million expected contributions to the scheme in 2021 to 2022.

The weighted average duration of the defined benefit obligation for scheme members is 20 years for 2020 to 2021.

Note 34 Contingent Liabilities

As at 31 March 2021, the council had no contingent liabilities.

Note 35 Contingent Assets

Claims against Her Majesty's Revenue and Customs (HMRC) for the refund of VAT:

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

At the end of the 2020 to 2021 financial year, a number of long running cases are still proceeding thorough the court or tribunal system which the council has an interest in. Should the court rulings be in favour of the taxpayer, there may be further opportunities for the council to pursue claims for overpayment of VAT. Although there has been no change in our position during the 2020 to 2021 financial year, the quantity and strength of the claims remains under constant review.

Note 36 Nature and Extent of Risks arising from Financial Instruments

Key Risks

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

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

Overall procedures for managing risk

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

Credit risk

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

This risk is minimised through the council's Annual Treasury Management and Investment Strategy, which requires that deposits are only made with high quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the council's treasury management advisors (Sector Treasury Services) or, for non-rated building societies, subject to their meeting minimum financial criteria (based on asset base size and financial performance). The annual strategy also considers maximum amounts and time limits in respect of each financial institution.
The council's lending criteria for 2020 to 2021 was set out in the Annual Treasury Management and Investment Strategy 2020 to 2021, which was approved by the council in February 2020. The following table shows the credit criteria applicable as at 31 March 2021.

Credit Rating		Banks Unsecured	Banks Secured	Pooled Funds
AAA	Amount Duration	£6,000,000 5 Years	£12,000,000 20 Years	£12,000,000 20 Years
AA+	Amount Duration	£6,000,000 5 Years	£12,000,000 10 Years	£12,000,000 15 Years
AA	Amount Duration	£6,000,000 4 Years	£10,000,000 5 Years	£10,000,000 15 Years
AA-	Amount Duration	£6,000,000 3 Years	£10,000,000 4 Years	£10,000,000 10 Years
A+	Amount Duration	£6,000,000 2 Years	£8,000,000 3 Years	£8,000,000 5 Years
A	Amount Duration	£6,000,000 13 Months	£8,000,000 2 Years	£8,000,000 5 Years
A-	Amount Duration	£6,000,000 6 Months	£6,000,000 13 Months	£6,000,000 5 Years
NONE	Amount Duration	£1,000,000 6 Months	N/A	£1,000,000 5 Years
UK Government	Amount Duration	Unlimited 50 Years	N/A	N/A
Other UK Local Authorities (based on Arlingclose Rating Formula)	Gold Silver Bronze Duration	£12,000,000 £10,000,000 £8,000,000 5 Years	N/A	N/A
Debt Management Office	Amount Duration	Unlimited N/A	N/A	N/A

The full Annual Treasury Management and Investment Strategy for 2020 to 2021 is available on the council's website.

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

	Amount at 31 March 2021	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2021	Estimated maximum exposure to default and uncollectability at 31 March 2021	Estimated maximum exposure to default and uncollectability at 31 March 2020
	£000s	**%**	**%**	**£000s**	**£000s**
	A	B	C	**A x C**	
Deposit with banks and other financial institutions	**31,166**	0.000	1.310	**408**	**1,127**

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

Of the £4.483 million total debt outstanding at 31 March 2021, £1.538 million has exceeded its due date for payment. This is due in part to an increase in debt on the council's property portfolio linked to the impact of COVID-19. The council has been supporting businesses affected through payment plans. The debt in excess of due date is analysed by age as follows:

	2020 to 2021	**2019 to 2020**
	£000	**£000**
Less than three months	**631**	**1,257**
Three to five months	**102**	**182**
Six months to one year	**442**	**95**
More than one year	**363**	**223**
	1,538	**1,757**

Liquidity risk

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

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

All sums owing are due to be paid in less than one year.

Maturity risk

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

The approved treasury limits for investments placed for more than one year in duration are also a key parameter used to address this risk. As at 31 March 2021, the council had no investments placed for a period of more than one year.

Interest rate risk

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

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise

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

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

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

As the council did not have any variable rate investments during 2020 to 2021, there would have been no effect on its interest income had interest rates been either 1 per cent higher or lower.

Price risk

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

The council also has other historic shareholdings to the value of £0.551 million making its total shareholdings value £1.151 million.

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

As a general guide a 5 per cent movement (positive or negative) in the value of these shares would result in a £0.058 million gain or loss.

Foreign exchange risk

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

Note 37 Trust Funds

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

	Balance at 31 March 2020 £	Income £	Expen-diture £	Balance at 31 March 2021 £
West Stow Anglo-Saxon Village Trust	**3,603**	5,016	(1,698)	**6,921**
94th Bomb Group Memorial Association	**16,277**	54	0	**16,331**
Totals	**19,880**	**5,070**	**(1,698)**	**23,252**

There are no formal investments for the trust funds, but notional interest is credited from the General Fund, based on the budgeted average rate of interest earned on the council's own investments of 0.334 per cent. This amounted to:

	Interest Income 2020 to 2021 £	Interest Income 2019 to 2020 £
West Stow Anglo-Saxon Village Trust	16	**29**
94th Bomb Group Memorial Association	54	**134**
Totals	**70**	**163**

West Stow Anglo Saxon Village Trust

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

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

94th Bomb Group Memorial Association Fund

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

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

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

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

Note 38 Agency Services

Up until 2019 to 2020, the council managed Suffolk County Council's on-street parking, through our Car Parks team. From 2020 to 2021 the council no longer provides this service to the county council due to the devolution of responsibilities following the implementation of Civil Parking Enforcement across Suffolk.

The net expenditure for 2019 to 2020 is included in the Comprehensive Income and Expenditure Statement as part of Operations costs.

	2020 to 2021 £000	2020 to 2021 £000	2019 to 2020 £000	2019 to 2020 £000
On-Street Car Parking				
Income from parking fees		**0**		(763)
Expenditure:				
Running Expenses	**0**		6	
Administration	**0**		249	
		0		255
Net Surplus paid to Suffolk County Council		**0**		(508)

Note 39 External Audit Costs

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

	2020 to 2021 £000	2019 to 2020 £000
Fees payable to Ernst & Young LLP with regard to external audit services carried out by the appointed auditor for the year	94	72
Fees payable for the certification of grant claims and returns for the year	25	14
Total External Audit Costs	**119**	**86**

Collection Fund and Notes

Collection Fund Comprehensive Income and Expenditure Statement

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

	2020 to 2021 Council Tax £000	2020 to 2021 NNDR £000	2020 to 2021 Total £000	2019 to 2020 Council Tax £000	2019 to 2020 NNDR £000	2019 to 2020 Total £000
Income Receivable						
Council Tax receivable	(103,386)	0	**(103,386)**	(98,750)	0	**(98,750)**
National Non-Domestic Rates receivable	0	(36,638)	**(36,638)**	0	(73,710)	**(73,710)**
Transitional Protection (receivable) or payable	0	403	**403**	0	(341)	**(341)**
Total Income	**(103,386)**	**(36,235)**	**(139,621)**	**(98,750)**	**(74,051)**	**(172,801)**
Expenditure						
Repayment of previous years surplus						
West Suffolk Council	222	704	**926**	289	(1,118)	**(829)**
Suffolk County Council	1,179	176	**1,355**	1,491	(279)	**1,212**
Suffolk Police Authority	196	0	**196**	227	0	**227**
Central Government	0	360	**360**	0	51	**51**
	1,597	**1,240**	**2,837**	**2,007**	**(1,346)**	**661**
Precepts						
West Suffolk Council	14,289	28,852	**43,141**	13,434	27,824	**41,258**
Central Government	0	36,066	**36,066**	0	34,780	**34,780**
Suffolk County Council	75,428	7,213	**82,641**	71,140	6,956	**78,096**
Suffolk Police Authority	12,504	0	**12,504**	11,714	0	**11,714**
	102,221	**72,131**	**174,352**	**96,288**	**69,560**	**165,848**
Charges to the Collection Fund						
Write-off of uncollectable amounts	197	137	**334**	229	462	**691**
Increase or (Decrease) in Bad Debts Provision	1,666	388	**2,054**	463	214	**677**
Increase or (Decrease) in Appeals Provision	0	4,276	**4,276**	0	2,735	**2,735**
Cost of Collection	0	245	**245**	0	248	**248**
Renewal Energy Income retained by Council	0	505	**505**	0	500	**500**
Enterprize Zone Income	0	976	**976**	0	95	**95**
	1,863	**6,527**	**8,390**	**692**	**4,254**	**4,946**
(Surplus) or Deficit for the year	**2,295**	**43,663**	**45,958**	**237**	**(1,583)**	**(1,346)**
Fund balance as at 1 April	**(1,526)**	**(756)**	**(2,282)**	**(1,763)**	**827**	**(936)**
(Surplus) or Deficit carried forward	**769**	**42,907**	**43,676**	**(1,526)**	**(756)**	**(2,282)**

Notes to the Collection Fund Comprehensive Income and Expenditure Statement

Note CF1 Council Tax Base

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

Tax Band	Property Value	Equivalent Numbers	Band D Equivalent
Band A	up to £40,000	**9,845**	**4,904**
Band B	between £40,001 and £52,000	**24,239**	**16,576**
Band C	between £52,001 and £68,000	**13,696**	**11,480**
Band D	between £68,001 and £88,000	**9,674**	**9,328**
Band E	between £88,001 and £120,000	**5,746**	**6,860**
Band F	between £120,001 and £160,000	**2,538**	**3,603**
Band G	between £160,001 and £320,000	**1,875**	**3,083**
Band H	over £320,000	**154**	**305**
Council Tax Base		**67,767**	**56,139**

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

The average total band D council tax for the year was £1,820.29.

Note CF2 Business Rates

NNDR (also known as 'business rates') are currently set on a national basis. The Government specifies amounts, 51.2p in 2020 to 2021 and 49.9p for small businesses in 2020 to 2021 and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying the rateable value of the business premises by the relevant amount.

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

The total non-domestic rateable value for the council's area at 31st March 2021 was £180,043,944.

Note CF3 Precepts and Demands

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

	2020 to 2021 Precept/ Demand £000	Share of balance 31 March 2021 £000	2020 to 2021 Total £000	2019 to 2020 Total £000
Council Tax				
Suffolk County Council	75,428	568	**75,996**	**70,013**
Suffolk Police Authority	12,504	94	**12,598**	**11,527**
West Suffolk Council	14,289	107	**14,396**	**13,222**
	102,221	**769**	**102,990**	**94,762**
NNDR				
Suffolk County Council	7,213	4,290	**11,503**	**6,828**
Central Government	36,066	21,458	**57,524**	**34,665**
West Suffolk Council	28,852	17,159	**46,011**	**27,311**
	72,131	**42,907**	**115,038**	**68,804**

Group Accounts

Introduction

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

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

Barley Homes was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Note 30 Related Parties gives further details of Barley Homes Group Ltd, as well as disclosing the council's interest in other companies and entities.

Group Comprehensive Income and Expenditure Account

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

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

	2020 to 2021		
	Gross expenditure	**Gross income**	**Net expenditure /(income)**
	£000	**£000**	**£000**
Resources and Performance	44,684	38,718	**5,966**
Human Resources, Legal and Democratic Services	3,713	760	**2,953**
Families and Communities	7,941	2,639	**5,302**
Planning and Regulatory	6,040	4,978	**1,062**
Operations	43,873	18,053	**25,820**
Growth	3,049	434	**2,615**
Cost of Services	**109,300**	**65,582**	**43,718**
Other operating expenditure	3,104	0	**3,104**
Financing and investment income and expenditure	2,086	374	**1,712**
Taxation and non-specific grant income	0	38,969	**(38,969)**
(Surplus) or deficit on provision of services	**114,490**	**104,925**	**9,565**
Surplus on revaluation of Property, Plant and Equipment assets			**(15,669)**
Actuarial (gains) or losses on pension assets and liabilities			**28,885**
Other comprehensive (income) or expenditure			**13,216**
Total comprehensive (income) or expenditure			**22,781**

Group Movement in Reserves Statement

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

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

Current year movements - 2020 to 2021	General Fund and Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's share of subsidiary reserves	Total Reserves (including Group)
	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2020	**40,659**	**8,741**	**255**	**49,655**	**159,446**	**209,101**	**(831)**	**208,270**
Movements in reserves during 2020 to 2021								
Total comprehensive income and expenditure	(9,565)	0	0	**(9,565)**	(13,216)	**(22,781)**	0	**(22,781)**
Adjustment between group accounts and council accounts	282	0	0	**282**	0	**282**	(282)	**0**
Net increase or decrease before transfers (Group accounts)	(9,283)	0	0	**(9,283)**	(13,216)	**(22,499)**	(282)	**(22,781)**
Adjustments between accounting basis and funding basis under regulations	27,655	(6,063)	0	**21,592**	(21,592)	**0**	0	**0**
Increase or (decrease) in 2020 to 2021	**18,372**	**(6,063)**	**0**	**12,309**	**(34,808)**	**(22,499)**	**(282)**	**(22,781)**
Balance as at 31 March 2021 carried forward	**59,031**	**2,678**	**255**	**61,964**	**124,638**	**186,602**	**(1,113)**	**185,489**

Group Balance Sheet

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

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

West Suffolk group balance sheet	31 March 2021 £000
Property, plant and equipment	265,197
Heritage assets	7,279
Intangible assets	149
Long-term investments	551
Long-term debtors	2,293
Long-term assets	**275,469**
Short-term investments	8,516
Assets held for sale	476
Inventories	6,196
Short-term debtors	31,141
Cash and cash equivalents	22,742
Current assets	**69,071**
Short-term borrowing	(2)
Short-term creditors	(50,127)
Provisions	(5,851)
Current liabilities	**(55,980)**
Provisions	(475)
Long-term borrowing	(4,000)
Other Long-term liabilities	(90,135)
Grants receipts in advance	(8,461)
Long-term liabilities	**(103,071)**
Net assets	**185,489**
Usable reserves	(60,851)
Unusable reserves	(124,638)
Total reserves	**(185,489)**

I certify that the group statement of accounts gives a true and fair view of the group financial position of the authority at 31 March 2021 and its income and expenditure for the year ended 31 March 2021. These financial statements replace the unaudited financial statements certified by the S151 officer on 21 July 2021.

Signed: Rachael Mann Date: 15 December 2021
Chief Financial Officer (Section 151 Officer)

Group Cash Flow Statement

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

	2020 to 2021 £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	9,565
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(47,474)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	7,630
Net cash flows from operating activities	**(30,279)**
Investing activities	8,956
Financing activities	17,484
Net (increase) or decrease in cash and cash equivalents	**(3,839)**
Cash and cash equivalents at the beginning of the reporting period	(18,904)
Cash and cash equivalents at the end of the reporting period	**(22,742)**

Notes to the Group Statement of Accounts

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

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

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

	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Resources and Performance	5,926	0	40	5,966
Families and Communities	5,296	0	6	5,302
Growth	2,596	65	(46)	2,615
Cost of Services	**43,653**	**65**	**0**	**43,718**
Financing and investment income and expenditure	1,495	217	0	1,712
(Surplus) or deficit on provision of services	**9,283**	**282**	**0**	**9,565**
Total comprehensive (income) or expenditure	**22,499**	**282**	**0**	**22,781**

Financing and investment income and expenditure

This includes £217,000 interest paid by Barley Homes Group Ltd during 2020 to 2021, for loans advanced to them by the council for working capital and the capital development of housing sites (including land purchase). At 31 March 2021 these loans amounted to £5,250,000.

The interest paid by the company and received by the council has been eliminated from the group accounts as reflected in the gross expenditure and income columns of the group Comprehensive Income and Expenditure Statement.

Note G2 Reconciliation between Single Entity and Group Balance Sheets

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

	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Long-term investments	1,151	0	(600)	551
Long-term debtors	7,543	0	(5,250)	2,293
Long-term assets	**281,319**	**0**	**(5,850)**	**275,469**
Inventories	184	6,012	0	6,196
Short-term debtors	31,452	0	(311)	31,141
Cash and cash equivalents	22,650	92	0	22,742
Current assets	**63,278**	**6,104**	**(311)**	**69,071**
Short-term creditors	(49,071)	(1,367)	311	(50,127)
Current liabilities	**(54,924)**	**(1,367)**	**311**	**(55,980)**
Long-term borrowing	(4,000)	(5,250)	5,250	(4,000)
Long-term liabilities	**(103,071)**	**(5,250)**	**5,250**	**(103,071)**
Net assets	**186,602**	**(513)**	**(600)**	**185,489**
Usable reserves	(61,964)	513	600	(60,851)
Total reserves	**(186,602)**	**513**	**600**	**(185,489)**

Long-term investments/Usable reserves

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

Long-term debtors/Long-term borrowing

As at 31 March 2021, the council had advanced loans amounting to £5,250,000 to the company. The council's resulting debtor and the company's liability have been eliminated from the group Balance Sheet.

Inventories

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

Short-term debtors/Short-term creditors

£311,000 of the company's short-term creditors relates to monies owed to the council in respect of support services received and interest due on loans. This has been eliminated from the group Balance Sheet along with the council's off-setting debtor.

Note G3 Reconciliation between Single Entity and Group Cash Flow Statements

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

	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	9,283	282	0	9,565
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(46,375)	(1,098)	0	(47,473)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	7,630	(3,300)	3,300	7,630
Net cash flows from operating activities	**(29,462)**	**(4,116)**	**3,300**	**(30,278)**
Investing activities	8,215	4,641	(3,900)	8,956
Financing activities	17,484	(600)	600	17,484
Net (increase) or decrease in cash and cash equivalents	**(3,763)**	**(75)**	**0**	**(3,838)**
Cash and cash equivalents at the beginning of the reporting period	(18,887)	(17)	0	(18,904)
Cash and cash equivalents at the end of the reporting period	**(22,650)**	**(92)**	**0**	**(22,742)**

Adjustments for items included in the net deficit on the provision of services that are investing and financing activities/Investing Activities

During the year the council advanced a loan to the company for the capital development of housing sites (including land purchase) of £3.3 million, which has been eliminated from the Group Results.

Investing Activities/Financing Activities

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

Accounting Policies

General Principles

The Statement of Accounts summarises the council's transactions for the 2020 to 2021 financial year and its position at the year-end of 31 March 2021. The council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2020 to 2021, supported by International Financial Reporting Standards (IFRS).

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

Accruals of Income and Expenditure

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

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

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

Deferred Income

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

Cash and Cash Equivalents

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

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

Exceptional Items

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

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

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

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

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

Charges to Revenue for Non-Current Assets

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

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

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

Employee Benefits

Benefits Payable during Employment

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

Termination Benefits

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

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

Post-Employment Benefits

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

The Local Government Pension Scheme

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

- The liabilities of the Suffolk County Council pension fund attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices. The rate employed for the accounts is the yield available on long dated, high quality corporate bonds, as

measured by the Hymans Robertson corporate bond yield curve, which is constructed based on the constituents of the iBoxx AA corporate bond index.

- The assets of the Suffolk County Council pension fund attributable to the council are included in the Balance Sheet at their fair value:
    - quoted securities - current bid price
    - unquoted securities - professional estimate
    - unitised securities - current bid price
    - property - market value.

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

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

Discretionary Benefits

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

Events After the Reporting Period

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

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

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

Financial Instruments - Financial Liabilities

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

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

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

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

Financial Instruments - Financial Assets

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

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

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

The tests for classification are as follows:

Solely Payments of Principle and Interest

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

Business Model

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

Designating

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

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

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

IFRS 9 Classification – Accounting Treatment

Amortised Cost

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

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

FVTOCI

NOT Designated:

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

Designated:

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

FVTPL

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

Impairment

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

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

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

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

Lifetime

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

12 month

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

Cumulative change since recognition

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

Collective approach

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

Simplified Approach

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

Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Heritage Assets

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

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

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

Heritage buildings, Statues and Monuments

Assets used in the provision of services (for example, museum buildings) are accounted for within the council's operational assets. The properties which fall within the definitions of heritage assets are St Saviours Hospital (largely foundations only remaining) and West Stow Anglo Saxon Village (a historic recreation of an Anglo Saxon village constructed as an educational project during the latter half of the twentieth century). As cost and valuation information is not available for these assets, they are not reported on the council's Balance Sheet.

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

The Museum Collections

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

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

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

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

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

Civic Regalia

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

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

Heritage Assets – General

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

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

Intangible Assets

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

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

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

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

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

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

Interests in Companies and Other Entities

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

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

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

Inventories

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

Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

Joint Operations and Jointly Controlled Assets

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

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

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

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

Leases

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

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

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

The council as Lessee

Finance Leases

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

Lease payments are apportioned between:

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

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

The council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore replaced by a revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

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

The council as Lessor

Finance Leases

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

Lease rentals receivable are apportioned between:

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

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

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

Operating Leases

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

Overheads and Support Services

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

Property, Plant and Equipment

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

Recognition

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

The following de minimis levels are applied:

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

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

Impairment

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

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

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals and Non-current Assets Held for Sale

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

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

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

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

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

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

Depreciation

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

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

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

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

Minimum Revenue Provision

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

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, the council continues to use the Capital Financing Requirement method for calculating the Minimum Revenue Provision for supported capital expenditure. The council has no unsupported debt.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.
Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year and charged against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits, and do not represent usable resources for the council.

Revenue Expenditure Funded from Capital under Statute

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

VAT

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

West Suffolk Annual Governance Statement 2020 to 2021

1. Scope of responsibility

1.1 West Suffolk Council was created on 1 April 2019, assuming the district-tier functions and responsibilities that were previously the responsibility of St Edmundsbury Borough Council and Forest Heath District Council.

1.2 This is the second annual governance statement of West Suffolk Council, and explains how the council has:

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

1.3 This statement covers the period 1 April 2020 to 31 March 2021.

2. The impact of COVID-19 on West Suffolk Council

2.1 On 23 March 2020, the country entered a period of full national lockdown in order to reduce the potential impact of COVID-19. The annual governance statement 2019-20 recognised the impact that the lockdown and measures necessary to support local communities had affected the council during the initial response phase.

2.2 Over the past year, the need to support the ongoing response to the COVID-19 pandemic has dominated the council's activities. This is actively reflected throughout this annual governance statement.

3. The impact of Brexit upon West Suffolk Council

3.1 In anticipation of the United Kingdom's (UK's) exit from the European Union (EU) on 31 January 2020 the council kept a watching brief regarding developments around the withdrawal agreement and the future relationship with Europe. This has included engagement with Local Government

Association (LGA) activities and briefings and participation in a cross-Suffolk officer group working on the implications of the UK’s withdrawal for the local area.

3.2 In practice, the impacts directly upon the council itself were limited, albeit the council appreciates there are challenges presented to the wider community as was discussed at the Overview and Scrutiny Committee meeting in March 2021.

3.3 The council will continue to monitor the position alongside partners to understand the potential interventions it can take to relieve potential challenges and seize opportunities presented.

4. The purpose of the code of corporate governance

4.1 The Local Code of Corporate Governance adopted by the predecessor councils was carried forward to West Suffolk Council. The code, which is available on the council’s website, was prepared in accordance with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework, ‘Delivering Good Governance in Local Government’.

4.2 The code sets out the council’s governance framework. The governance framework comprises the systems, processes, culture and values by which the council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

4.3 The system of internal control is a significant part of that framework and designed to manage risk to an acceptable level. It could not eliminate all risk of failure to achieve the council’s aims and objectives, but it has sought to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify, prioritise, and manage the risks to the achievement of the council’s aims and objectives.

4.4 This annual governance statement seeks to identify how the council has complied with its code of corporate governance throughout the year 2020 to 2021.

5. The governance framework

5.1 There are seven core principles of good governance identified in the CIPFA SOLACE Delivering Good Governance in Local Government Framework 2016 as follows:

- Principle A – behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Principle B – ensuring openness and comprehensive stakeholder engagement
- Principle C – defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D – determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E – developing the entity's capacity including the capability of its leadership and the individuals within it
- Principle F – managing risks and performance through robust internal control and strong public financial management
- Principle G – implementing good practices in transparency, reporting, and audit to deliver effective accountability

5.2 The Local Code of Corporate Governance sets out the principles of good governance and describes in full the arrangements the council has put in place to meet each of these.

Principle A	**Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
Key elements of the council's governance framework	• Constitution • Employees code of conduct • Councillors code of conduct • Contract procedure rules • Anti-fraud and anti-corruption policy • Whistleblowing policy • Anti-money laundering policy • Registers of interests • ICT security policy • Monitoring Officer • Safeguarding policy
Activity within principle A in 2020-21	
• At the start of the pandemic, the council enacted its business continuity plans across its services. The council's response was led by a Strategic Direction	

Team, who assessed the impact on the council’s wider communities and ability to achieve its objectives, supported by a Tactical Management Team, who oversaw the council’s operational response.

- This enabled the council to quickly identify challenges arising, the means to resolve them, and then monitor progress in doing so. Where necessary, decisions made were published in accordance with constitutional and legal requirements.
- In April 2020, the Government issued regulations allowing council meetings to be held virtually. This required changes to the council’s constitution and procedures and protocols to be formed to ensure that decisions could take place in a transparent way online. West Suffolk’s Development Control Committee was recognised by the Local Government Association (LGA) as an example of how virtual meetings should be conducted.
- During the summer 2020, Transparency International published a report, ‘Permission Accomplished’, raising concern regarding the potential for fraud in national planning systems. West Suffolk Council benchmarked itself against Transparency International’s framework and recommendations. Although a high degree of compliance was recognised, in February 2021 the council approved changes to its Planning Code of Practice to ensure it reflected all aspects raised by Transparency International.
- In January 2021, the Monitoring Officer published a new set of guidance for councillors to assist in complying with the code of conduct.
- During the year, the internal audit team have reviewed the council’s registers of interests and procedures for declaring gifts and hospitality. The outcome of the audit was positive, recommending procedural changes to simplify the process used to record the small number of staff gifts and hospitality received.
- Over the last year the council has strengthened its approach to safeguarding, developing the network of safeguarding leads across the council, updating its policy and guidance and support to staff.

Proposed activity for the coming year and areas for improvement

- In December 2020, the LGA published a new Model Code of Conduct for Local Authorities. This will be supplemented by accompanying guidance, which is expected to be published in May 2021. The council will wish to review the

code and emerging guidance and assess whether to adopt this, working in partnership with other local council bodies across Suffolk. • It is proposed to undertake a review of the council's whistleblowing policy and ensure alignment with revisions made to the corporate complaints policy during 2020. • The Overview and Scrutiny Committee has committed to a review of the council's response to Modern Slavery, which will commence once the Government has published revised regulations and guidance to local authorities.	
Principle B	**Ensuring openness and comprehensive stakeholder engagement**
Key elements of the council's governance framework	• Annual report • Reports and minutes available on the council's website • Consultation statement • Equality scheme • Use of complaints and feedback to aid learning for future service development.
Activity within principle B in 2020-21	
• With the need to focus on aligning resources to support the COVID-19 response, the council simplified its annual report production process to focus on the key achievements made during the year to supporting achievement of the council's corporate objectives. • As highlighted above, the council has undertaken its committee meetings on the virtual Teamslive platform. This has served to increase engagement with committees, with more members of the public joining meetings virtually than previously attended in person. Meetings are automatically recorded and available for viewing afterwards. • In light of the pandemic, the council has been required to review the way in which it makes services available to the public, and consults and engages with them. The council's offices were required to close to the public, placing increased emphasis on telephone and internet contact (see principle D below).	

- In the licensing sector, consultations had originally been scheduled to take place at times where a national lockdown was then announced. As a result, consultations were delayed to ensure key stakeholders, such as licensees, would have the opportunity to input to reviews of policy.
- Due to the need to ensure the council has a robust local plan in place, it was not feasible to delay the council's Issues and Options Consultation. Instead, work was undertaken to ensure that the public would still be able to respond to the consultation, but in new ways. A virtual village hall was created, with officers available on the phone and on-line chat function to answer questions rather than in person. Officers attended town and parish council virtual meetings on request and held a number of dedicated seminars with local groups, schools, businesses, stakeholders and infrastructure providers. Video clips were prepared and shared on social media throughout the consultation, alongside radio adverts and more traditional methods of consultation through newspaper articles and promotion through the local coffee caravan. The council received over 3,000 representations to the consultation as a result.
- The council worked with the Western Assembly of Youth (WAY) group on the local plan consultation, and this group prepared posters and leaflets as well as a YouTube film.
- A group of members from the Overview and Scrutiny Committee are reviewing the council's website to understand how it works for residents and where improvements could be made to assist in some of the most common functions the website is used for.
- Newmarket Youth Action Group has been working on a youth strategy for young people, developed by a collaboration of the statutory and voluntary sector. The aim is to bring the strands together and cement the strategy within the town council approach for young people. January 2021 saw the first meeting to finalise the approach, and discussions about where the strategy and young persons' approach will sit in the town council framework. Once the final draft of the strategy has been completed this will be submitted to a working party to develop and implement.
- WAY have been working with the police to ascertain young people's views of police engagement, and recently undertook a survey for the police to help shape policing engagement with young people in the future. WAY are also working with the council's waste team to explore an environmental policy for

schools and plastic, and also working with Suffolk County Council to explore a domestic abuse campaign for young people.	
Proposed activity for the coming year and areas for improvement	
• The future of how council meetings and decision making will operate is in an uncertain environment. The government is consulting on whether to legislate to allow for virtual or hybrid meetings, but in the meantime the Council has to return to meeting "in person" to make decisions. This is proving challenging to do whilst ensuring meetings are compliant with Covid safe guidance, and ensuring they are open to the public, and making decisions in a transparent way.	
Principle C	**Defining outcomes in terms of sustainable economic, social, and environmental benefits**
Key elements of the council's governance framework	• Strategic framework • Growth investment strategy • Business plans • Medium term financial strategy • Local plans • Risk management policy and toolkit • Investment framework
Activity within principle C in 2020-21	
• In March 2020, the onset of the COVID-19 pandemic required the council to refocus its short-term priorities on supporting its communities through the pandemic. This uncertainty, when combined with other external shocks such as the impact of Brexit has made redefinition of outcomes challenging, albeit the work undertaken by the council during 2019-20 to reappraise its strategic framework meant that it was well placed to quickly focus resources into priority services, enabling the council to continue to progress strategic objectives alongside the need to support communities. • In June 2020, Suffolk agreed a comprehensive Local Outbreak Engagement Plan, with the aim of creating a whole system approach to protect people from the consequences of COVID-19. This ultimately contributed to the national strategy to minimise the occurrence and impact of COVID-19. A cross-sector Local Outbreak Engagement Board was created to oversee	

delivery of the plan with specific delivery strands allocated to implement the plan and necessary actions to support it. • In July 2020, the Cabinet agreed the final report of the council's Environment and Climate Change Taskforce. This set the council's strategic approach as to how to work towards the achievement of net carbon zero by 2030, as well as the wider work to support the reduction of carbon emissions in Suffolk as a whole. • The council has continued to progress work towards its local plan. As outlined above, the Issues and Options consultation was undertaken during the autumn of 2020. In March 2021, it was agreed to establish a local plan working group of members to support the detailed work required to develop the emerging plan documents.
Proposed activity for the coming year and areas for improvement
• The council will continue to work on developing its local plans and has a programme in place with adoption planned mid-2024. • We will work as part of the Suffolk system in developing and delivering a COVID-19 recovery plan and Suffolk Climate Change Emergency Plan. • The council will also continue to develop its recovery strategy and approach to support the county-wide approach, for example supporting local towns and business organisations in place-based economic recovery.

Principle D	**Determining the interventions necessary to optimise the achievement of the intended outcomes**
Key elements of the council's governance framework	• Consultation statement and programme • Families and communities approach • Enforcement • Balanced scorecards • Procurement policy • Medium term financial strategy • Business partner model • Business case model • Commercial guidance

	• Partnership working across the public and voluntary sectors in Suffolk

Activity within principle D in 2020-21

- As part of the response to, and recovery from, COVID-19, West Suffolk Council has been represented at both councillor and officer level in a number of cross-Suffolk groupings. These boards, cells and groups have involved other public and voluntary agencies working together first to respond to COVID-19 and then to plan how to lead the recovery from the pandemic.
- Within West Suffolk Council, with the need to immediately respond to the Coronavirus crisis, the organisation was quickly required to re-align resources in two key areas. First, to supporting the programme of business grants, ensuring that every eligible business in the district was aware of the programme of support available to them with the aim of minimising the impact of COVID-enforced closures on local businesses. Second, the Suffolk-wide Home But Not Alone programme, ensuring that all residents who were shielding or vulnerable had access to the necessary support they required.
- As the national response to COVID-19 has changed, so the council has been required to adapt its intervention approach. Measures have worked across both a policy and operational level, and have included:
  - Assessing how council services such as the operations and elections teams can operate safely within the pandemic
  - Making changes to policy approaches in areas such as suspending the garden waste service temporarily, the holding of events, car park charging and debt management
  - Lobbying Government and partners for changes to support our communities, such as increased funding for local government and leisure service providers
  - Allocating resources to supporting partners in COVID-19 efforts
  - Supporting changes in the business grant programme. Where there has been discretion within the programme, ensuring that the benefits of the programme will be achieved
  - Continuing to identify residents who are shielding as national guidance has changed, ensuring they have the necessary support

- Supporting payments to individuals entitled to them through the track and trace programme
- Supporting social distancing measures in public spaces
- Delivering the Government's "everybody in" programme for rough sleepers, finding new and innovative housing solutions; and
- Supporting local businesses to ensure they remain compliant with Government guidance; and taking action where this is not adhered to.

- This required a significant shifting in the approaches across Suffolk to data sharing, enabling data to be shared in new ways and on a greater scale than previously to develop solutions on an individual basis. For example, West Suffolk Council contributed data to the county-wide programme of work to identify vulnerable people who should be proactively contacted with offers of support during the early periods of lockdowns. This work was to minimise the number of people who 'slipped through the net' as a result of different organisations providing support across the public sector system.
- Within the council, there has been a recognition that as a direct result of the pandemic, and the indirect result of the measures necessary to support it, achievement of the council's performance measures has been more challenging, particularly in areas such as income levels, collection of council tax and business rates, sundry debt management and housing. The council has taken a pragmatic approach and where targets have not been achieved provided clear rationale to support this.
- The financial challenges the council faces, which have been exacerbated by the pandemic, have necessitated the council to develop its approach to reviewing service operations, as part of a target operating model (TOM2) with the intention of improving customer experience, driving efficiency and delivering continuous improvement.

Proposed activity for the coming year and areas for improvement

- The council will need to continue to work with partners to identify the impact of the COVID-19 pandemic and therefore the necessary interventions to achieve the corporate priorities.
- The council will need to work to deliver the TOM2 model across services, delivering financial savings alongside the wider benefits for customers in order to support achievement of a balanced budget for 2021-22.

Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Key elements of the council's governance framework	• Workforce plan • Learning and development policy • Constitution • Employee performance review framework • Disciplinary procedure • Job descriptions

Activity within principle E in 2020-21

- At the outset of the pandemic, it was necessary that, wherever possible, staff worked from home. Changes were made to reporting processes for staff sickness and absence to ensure that changes in staff resources could be quickly understood. Level of absence, including sickness arising from coronavirus and the need for self-isolation was reported through to the Tactical Management Team and Strategic Delivery Team to enable resources to be re-allocated as necessary.
- The council had to reappraise working practices with a view to ensuring that staff could work safely in the different working environments; there was effective staff engagement and the council supported the wellbeing of its staff in a challenging environment. These initiatives included:
    - two staff wellbeing surveys
    - a wellbeing toolkit for managers
    - all-staff organisational development and wellbeing workshops, leading to five internal working groups, looking at health and wellbeing, future of the workforce and ways of working, exploring the digital future, public access and ways to engage with the community, and the future of the workplace and safe workspaces
    - a remote working charter
    - support groups for parents and those working at home alone
    - virtual physiotherapy sessions; and
    - the council's first awards scheme.

○ In February 2021, a further series of organisation-wide engagement sessions took place alongside some leadership specific workshops, which responded to the areas in which staff identified that they required support and development, including building positive mindsets, boosting accomplishments, leading virtual teams and maximising impact and virtual conversations. These areas will remain relevant as staff continue to explore how the organisation moves forwards throughout recovery. • Staff development generally has successfully transferred to an online format, with sessions primarily hosted on the Microsoft Teams platform or through short format 'watch and go' e-learning development sessions. Member development sessions have also transferred to a virtual format, with a higher attendance generally recorded than previously noted for in-person formats. Sessions have been recorded to enable those unable to attend to be able to re-watch at a later date. • The council is continuing to work with partners across the eastern region to explore opportunities to work more collaboratively on member development.
Proposed activity for the coming year and areas for improvement
• There is on-going activity focused on how we work differently in the future around workspaces with a plan being developed for a return to the offices in line with the Government roadmap (June 2021). • A staff working group has now been formally established focused on health and well-being, to continue to help inform and develop the organisation response. • Work is underway to set a longer-term workforce strategy to replace our interim People Plan. • There is on-going work to support the new structures and longer-term transformation programme.

Principle F	**Managing risks and performance through robust internal control and strong public financial management**
Key elements of the council's governance framework	• Financial procedure rules • Contract procedure rules • Treasury management strategy and growth investment strategy • Budget monitoring

	• Performance and Audit Scrutiny Committee • Strategic risk register • Investment framework • Risk management toolkit • Balanced scorecards • Internal audit • Business continuity plan • Complaints

Activity within principle F in 2020-21

• The COVID-19 pandemic has had a significant impact on the council's financial position. This has been closely monitored to ensure there is a clear understanding of the financial position as the situation has emerged, and how this will impact upon the council's budget, including:
  ○ Fortnightly briefings to Cabinet members and the officer Leadership Team, and monthly updates to the officer Senior Management Team
  ○ Regular monitoring reports through the Performance and Audit Scrutiny Committee and additional reports to the Cabinet
  ○ All-member briefings; and
  ○ Joint discussions with Suffolk partners to understand the cross-county impact, contributing to lobbying for further financial support.
• The council's risk register was subject to significant modification to take into account the impact of the pandemic. As well as a specific risk relating to COVID-19, risks were re-analysed to understand the potential impacts of the events arising during the pandemic.
• Emergency planning approaches were reappraised, to ensure that appropriate health and safety measures could be enacted in the event of a civil emergency during the pandemic. In addition, the council took part in cross-partner scenario planning to support the management of a significant outbreak.
• It was necessary to re-evaluate the internal audit annual work plan in light of the pandemic. Whilst fewer assurance reviews were undertaken, internal audit resources were reallocated to supporting the development of processes

required to support COVID-19 relief efforts, such as working to help ensure processes for the payment of business rates grants minimised the risk of fraud and error arising. • Internal audit reviewed the council's compliance with CIPFA's Financial Management Code and concluded that general compliance was being achieved, with some areas highlighted for further consideration. We will continue to work across Suffolk to share good practice in this area.	
Proposed activity for the coming year and areas for improvement	
• The ongoing nature of the pandemic is likely to impact upon the council and its communities for some time to come. On an ongoing basis it will be necessary to appraise the potential impact on the council's budget and ability to achieve its organisational objectives.	
Principle G	**Implementing good practices in transparency, reporting and audit to deliver effective accountability**
Key elements of the council's governance framework	• Council's website • Statement of accounts • Annual governance statement • Annual report • Medium term financial strategy • Anti-fraud and anti-corruption policy • Whistleblowing policy • Data protection policy • Officer Information Governance Group • Balanced scorecards • Annual internal audit report and opinion
Activity within principle G in 2020-21	
• The COVID-19 pandemic required the council to refocus resources on the immediate need to support its communities, with the result that, with the support of the Information Governance Group, development work in this area had to be suspended to accommodate more immediate priorities. However, the council has continued to work to ensure it meets its statutory	

responsibilities with regards the publication of records, the Freedom of Information Act and Data Protection Act. Staff were provided with additional guidance relating to the potential risks of working from home with respect to council information. • In anticipation of Brexit, the council worked to ensure that the potential risks of the UK being declared non-adequate for data transfer purposes were minimised. • In May 2020, the council was awarded the Cyber Essentials Plus certificate. This demonstrates the council's ongoing commitment to ensuring high standards of data security. The council has also engaged with the Ministry of Housing, Communities & Local Government cyber security team to help towards learning the lessons of data breaches experienced elsewhere.
Proposed activity for the coming year and areas for improvement
• A programme of health checks within services to evaluate compliance with the Data Protection Act will be commenced, two years after its introduction, and support improvements where required.

6. Review of effectiveness

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

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

6.2 The Leadership Team reviews the draft annual governance statement prior to submission to the Performance and Audit Scrutiny Committee, which approves this statement.

6.3 The internal audit team is responsible for giving assurance to councillors, the Head of Paid Service, s151 Officer, Leadership Team and the Performance and Audit Scrutiny Committee on the design and operating effectiveness of the council's risk and internal control arrangements.

6.4 Based upon the audit work undertaken during the financial year 2020-21, as well as assurances made available to the council by other assurance providers, the Service Manager (Internal Audit) has confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the council, as well as the risk management systems, are operating adequately and effectively. Similar to previous years, internal audit work has however identified a number of areas where existing arrangements could usefully be improved, and agreed actions will be followed up by the internal audit team in the usual way.

6.5 The council is subject to an annual programme of independent external audits and inspections. The external auditor summarises the findings from his audit of the financial statements and the council's systems which support them and his assessment of arrangements to achieve value for money.

6.6 The review of the effectiveness of the governance framework for 2020-21 concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

7. Significant governance issues

7.1 In determining the significant issues to disclose, the council has considered whether issues have:

- seriously prejudiced or prevented achievement of the council's objectives
- resulted in a need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the council's services
- led to material impact on the accounts
- received adverse commentary in external inspection reports
- been treated by the Service Manager (Internal Audit) as being significant in internal audit reports issued during the year
- attracted significant public interest or seriously damaged the council's reputation
- resulted in formal action being taken by the s151 Officer or the Monitoring Officer; and
- councillors had advised that it should be considered significant for this purpose.

7.2 As is embedded throughout this document, the measures necessary to support the COVID-19 pandemic, as well as the consequences of the pandemic itself, have had a significant financial impact upon the Council. This has required the Council, as with all other councils across the country being required to seek additional funding from the Government.

7.3 There are no other significant governance issues to disclose.

8. Assurance by Chief Executive and Leader of the Council

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

Signed:

John Griffiths
Leader of the Council
Date:

Signed:

Ian Gallin
Chief Executive
Date:

Independent auditor's report to the Members of West Suffolk Council

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

Opinion

We have audited the financial statements of West Suffolk Council for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Authority and Group Movement in Reserves Statement,
- Authority and Group Comprehensive Income and Expenditure Statement,
- Authority and Group Balance Sheet,
- Authority and Group Cash Flow Statement,
- related notes 1 to 39 to the Authority Accounts, including the Expenditure and Funding Analysis to the Authority Accounts,
- the related notes G1 to G3 to the Group Accounts,
- Collection Fund and the related notes CF1 to CF3, and
- The Accounting Policies.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of West Suffolk Council and Group as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the authority and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the '*Statement of Accounts 2020 to 2021*', other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the '*Statement of Accounts 2020 to 2021*'.

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

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

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014;
- we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the '*Statement of Responsibilities for the Statement of Accounts*' set out on pages 12 to 13, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Local Government Act 1972,
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992)
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- The Local Government Finance Act 2012,
- The Local Audit and Accountability Act 2014, and
- The Accounts and Audit Regulations 2015.

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

We understood how West Suffolk Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, the Head of Internal Audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Council's committee minutes, Council policies and procedures and other information.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

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

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Council's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested the appropriateness of the journal and that it was accounted for appropriately. We assessed accounting estimates for evidence of management bias; and evaluated the business rationale for significant unusual transactions.

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether West Suffolk Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether West Suffolk Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

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

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Use of our report

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

Mark Hodgson
Ernst & Young LLP

.... **Date:** *15 December 2021*

Mark Hodgson (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Cambridge

Glossary

Accounting Code of Practice
The preparation and control of accounting is regulated, however there is no statutory basis for accounting entries. Instead of a statutory basis, the accounting bodies have agreed an 'Accounting Code of Practice'.

Accounting Period
The length of time that is covered by the accounts, the end of the accounting period being the Balance Sheet date. This is normally a period of 12 months commencing on 1 April each year.

Accruals
This is one of the main accounting concepts which ensures that income and expenditure items are shown in the accounts as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses
Changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are reflected in the Pensions Reserve in the Balance Sheet.

Actuarial Valuation
A valuation produced by the pension fund's nominated Actuary (see definition below) that measures the fund's ability to meet its long-term liabilities. The Actuary produces an assessment of the likely increase in the value of the pension fund in the future (e.g. its assets) and the probable payments due out of the fund (its liabilities). The net asset or liability of the fund pertaining to the council is consequently reflected in its Balance Sheet.

Actuary
A business professional who deals with the financial impact of risk and uncertainty. A pension actuary assesses projections of pension fund assets and liabilities based upon an analysis of expected future investment returns, pension fund contributions and liabilities.

Amortised Cost
This is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

Asset
A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Assets Held for Sale
Assets at the year-end where it is likely that their carrying amount will be recovered principally through a sale transaction rather than through their continuing use.

Balance Sheet
A financial statement that summarises the council's assets, liabilities and other balances such as reserves at the end of each accounting period.

Budget
A financial statement that expresses the council's service delivery plans and capital programme in monetary terms.

Business Rate Retention Scheme
A scheme introduced in April 2013 for allocating business rates collected locally between the collecting authority (district council), central government and the county council.

Capital Expenditure
Expenditure which results in the acquisition, construction or creation of non-current assets or expenditure which adds to the value of existing non-current assets (i.e. over and above maintenance).

Capital Financing
This is the overall term used to describe the various sources of money that the council uses to pay for its Capital Expenditure. The sources that West Suffolk uses include direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Capital Receipts
Proceeds from the sale of capital assets. Such income may only be used to repay loan debt or to finance new capital expenditure.

Chartered Institute of Public Finance and Accountancy (CIPFA)
The principal accountancy body dealing with Local Government finance. More details can be found on the CIPFA website www.cipfa.org.uk.

Chief Financial Officer (CFO)
The organisation's most senior executive role charged with leading and directing financial strategy and operations.

Code of Practice on Local Authority Accounting in the United Kingdom
Defines proper accounting practices for Local Authorities in England, Wales, Scotland and Northern Ireland.

Creditors
Amounts owed by the council for which payment has not been made by the end of the financial year.

Contingent Liabilities
Where the council has a financial obligation, which at the present time is uncertain.

Debtors
Amounts due to the council which are unpaid at the end of the financial year.

Defined Benefit Pension Scheme
A pension scheme where the council and its employees pay contributions into the fund, calculated at a level which is intended to balance the pension liabilities with its investment assets.

De minimis
A term used to describe the lower limit of a transaction, below which no action is required, for example a purchase which is below the Capital expenditure de minimis limit would not be classified a capital even though it meets the other relevant criteria.

Depreciation
The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset.

Donated Asset
An asset transferred to an entity at nil value or acquired at less than fair value.

Employee Benefits
All forms of consideration given by an entity in exchange for the service rendered by employees.

External Auditor
An officer appointed by Public Sector Audit Appointments Limited (PSAA) to provide an independent audit of the accounts. For the year of account, the council's external auditors were EY.

Exit Package
A payment made to an officer on leaving the council's employment. This includes compulsory and voluntary redundancy costs, pension contributions in respect of added years, and any other departure costs that have been agreed.

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

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Timetable
The financial activities of the council are geared to a regular financial timetable which begins in the autumn of each year with the preparation of the current year's review and budgets for the ensuing year, following closure and audit of the Statement of Accounts for the previous year.

Formula Grant
The aggregate of Revenue Support Grant (RSG) plus Baseline Funding (redistributed income from Business Rates Retention to reflect need but excluding any locally generated growth). Formula Grant is divided into four blocks:

A needs assessment – Relative Needs Formulae (RNF) – is intended to reflect the relative cost of providing comparable services between different local authorities. It takes account of characteristics such as population and social structure

A resources element – relative resources amount – takes account of the different capacity of different areas to raise income from council tax due to the differing mix of properties. It is a negative amount as it represents assumed income for local authorities

A central allocation which is the same for all local authorities delivering the same services

A floor 'damping block' in order to give every local authority a minimum grant increase. Grant increases to other councils in the same class are scaled back to pay to bring all local authorities up to the appropriate floor increase.

Governance
The arrangements in place to ensure that an organisation fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an economical, effective, efficient and ethical manner.

Grants and Contributions
Assistance in the form of transfers of resources to an authority in return for past or future compliance with certain conditions relating to the operation of activities.

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

International Accounting Standard (IAS)
Accounting standards developed by the International Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Code of Practice except where the standards conflict with specific statutory requirements.

International Financial Reporting Standards (IFRS)
Financial reporting standards developed by the International Accounting Standards Board.

Joint Arrangement that is not an entity (JANE)
A contractual arrangement under which the participants engage in joint activities that do not create an entity, because it would not be delivering a service or carrying on a trade or business of its own.

Joint Venture
An entity in which the reporting authority has an interest on a long-term basis and is jointly controlled by the reporting authority and one or more other entities under a contractual or other bidding arrangement.

Local Authority Scotland Accounts Advisory Committee (LASAAC)
The principal accounting body dealing with Local Government finance in Scotland.

Liability
An obligation of an entity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

Long Term Borrowing
Loans that have been raised to finance capital spending which have still to be repaid.

Materiality
The threshold or level that determines whether or not an item is relevant to the financial statements presenting a true and fair view. An item of information is material to the financial statements of an entity if its misstatement or omission might reasonably be expected to influence the economic decisions of users of the statements.

New Homes Bonus
Funding for councils which was introduced from April 2011 which was designed to be an incentive to promote Housing growth. The government will match fund the additional Council Tax raised for new homes and properties brought back into use, with an additional amount included for affordable homes.

Non-Current Assets
Assets that yield benefits to the council for a period of more than one year.

Pension Schemes

Retirement Benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement Benefits do not include termination benefits payable as a result of:

a) An employer's decision to terminate an employee's employment before the normal retirement date; or
b) An employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Revenue Expenditure and Income
Expenditure and income arising from the day to day operations of the council.

Revenue Support Grant
A grant received from the government to support the day to day running costs of the council. In conjunction with the council's share of National Non-domestic Rates received from the national pool it is also known as formula grant.

Section 106 Contributions
Section 106 of the Planning Act 1990 allows a local planning authority to secure an obligation from any person interested in land, with the purpose of (amongst other things) 'requiring a sum or sums to be paid to the authority on a specified date or dates or periodically'. The purpose of these sums is generally to enable the council to mitigate the impact of any developments on the locality, typically on items such as infrastructure and open spaces.

All financial contributions secured by a section 106 agreement are ring fenced, and they are normally to be used within a specific timescale, failing which the developer may be entitled to repayment with interest, depending upon the terms of the particular agreement.

Section 151 Officer
Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 officer also has a number of statutory

powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

Senior Officer
A senior officer (England and Wales) is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 (England); £60,000 (Wales) per year (to be calculated pro rata for a part-time employee) and who is:

a) the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989

b) the head of staff for a relevant body which does not have a designated head of paid service or

c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

SOLACE (Society of Local Authority Chief Executives)
The representative body for senior strategic managers working in local government, in particular Chief Executives.

Termination Benefits
Employee benefits payable as a result of either:

a) an entity’s decision to terminate employment before the normal employment date, or

b) an employee’s decision to accept voluntary redundancy in exchange for those benefits.

Further Information

Further information concerning any matter relating to the council can be obtained from the following sources:

Customer Services: 01284 763233

Bury St Edmunds Office

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

Mildenhall Office

Mildenhall Hub, Sheldrick Way, Mildenhall, Suffolk IP28 7JX

Newmarket Office

63 The Guineas, Newmarket, Suffolk CB8 8HT

Haverhill Office

Haverhill House, Lower Downs Slade, Haverhill, Suffolk CB9 9EE