Statement of Accounts

2021 to 2022

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.

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

West Suffolk Council was formed on 1 April 2019, from the two predecessor councils of St Edmundsbury Borough and Forest Heath District Council. It is made up of 72 councillors and was Conservative controlled during 2021 to 2022. 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 2021 to 2022. 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 2021 to 31 March 2022 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 third 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.

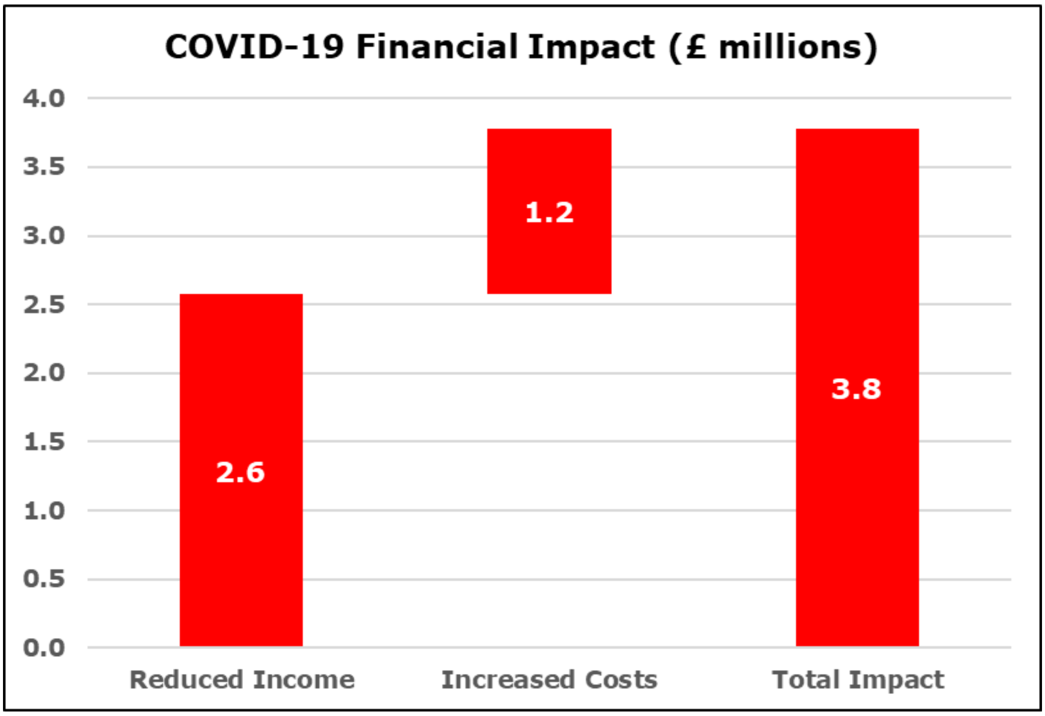
The West Suffolk Strategic Framework represents a joined-up approach to the Strategic Framework, West Suffolk Local Plan and Medium Term Financial Strategy. It means we can take a single, coherent approach to what we want to see achieved in West Suffolk in the coming years. This document is available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

COVID-19 and other impacts

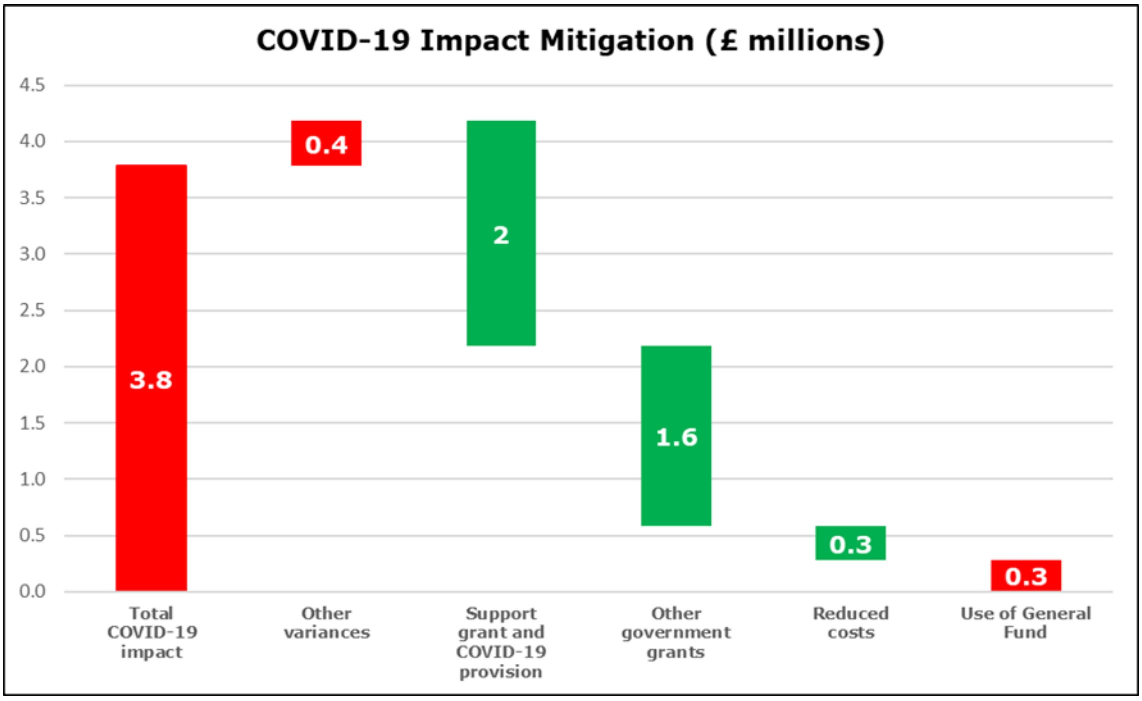
Since the outbreak of COVID-19 in the UK, a number of events have occurred which have had a significant impact on West Suffolk Council's financial position. Some of these have been restrictions imposed by government that have affected West Suffolk Council's investments and services; and others have been announcements of Government financial support.

The council has played its part in responding to COVID-19, in supporting businesses and the most vulnerable as well as running essential services.

The financial results, as reported to the Department for Levelling Up, Housing and Communities, show a total gross impact of £3.8 million for 2021 to 2022 (costs of £1.2 million and lost income of £2.6 million).



Funding of these additional COVID-19 related costs has been achieved through the work of the council, utilising existing budgets, reducing costs where possible, delivery of COVID-19 related initiatives within existing resources, and external grants. The council’s approved budgets for 2021 to 2022 included estimated COVID-19 related pressures of around £1.1 million, plus the confirmed 2021 to 2022 Local Authority COVID-19 Support Grant £0.9 million, giving an overall provision of £2 million. In addition, the council has utilised around £291,000 of a budgeted £1,506,000 contribution to the General Fund in order to fund the remaining deficit after cost savings and further government support have been taken into account. This means the year end position shows these COVID-19 variances to reduce and be managed within an overall balanced position for West Suffolk.



The impact of COVID-19 is likely to be felt for years to come as the council continues to make provision in 2022 to 2023 for the impact on recovery to pre-COVID-19 income and expenditure levels. The 2022 to 2023 budget approved by council on 22 February 2022 included a provision for the ongoing effects of COVID-19 of around £0.5 million. This will continue to be monitored closely over the coming year.

In addition to the ongoing impact of COVID-19, there have been several other major global economic pressures, including increasing energy and fuel prices and the inflationary impact of the war in Ukraine on food and other commodities. These are all contributing to an increase in inflation generally and will have a knock-on effect on a number of areas in the council's budgets, for example vehicle fuel, utilities, salaries, supply delays, interest costs and the increasing cost of external contracts, and work is underway to quantify these budgetary pressures, and these will be monitored through the council's Performance and Audit Scrutiny Committee.

Overview of the financial year 2021 to 2022

The revenue outturn showed a balanced year end position. This position takes account of the £2 million provision for the effects of COVID-19 in the 2021 to 2022 approved budget, and assumes around £291,000 is also being met from the council's general fund.

The 2021 to 2022 budgets included a transfer of £1.5 million in order to replenish the expected effects of COVID-19 on the General Fund for the 2020 to 2021 financial year. This was based on the best estimate available at the time when setting the budgets. However, due to additional government support and good financial management towards the year end, the expected deficit for 2020 to 2021 was lower than anticipated. Consequently, the General Fund impact was not as adverse as expected, and following the confirmed year end position for 2021 to 2022, the General Fund balance stands at just over £6 million. Whilst this is higher than the anticipated balance of £5 million, it is considered that this additional amount will be required in 2022 to 2023 in the light of the inflationary pressures outlined previously, and the uncertainty around the recovery from the effects of COVID-19.

The following tables show the sources of the council's income for 2021 to 2022, and how it was spent on services (excluding accounting adjustments required by International Financial Reporting Standards):

Where the money came from in 2021 to 2022	**£000**	**Per cent**
Council taxpayers	10,038	8.4
Business rates	15,340	12.9
Fees, charges and other income	32,994	27.7
Housing benefit subsidy	28,195	23.6
COVID-19 grants	6,661	5.6
Other grants	4,776	4.0
Transfer from reserves - business rates collection fund deficit	15,920	13.4
Transfers from reserves - other	4,679	3.9
Interest and investment income	618	0.5
Total income	**119,221**	**100.0**

Where the money was spent in 2021 to 2022	**£000**	**Per cent**
Cost of employment	28,847	24.3
Housing benefit payments	28,298	23.7
Supplies and services	15,026	12.6
Premises	6,373	5.3
Transport	1,515	1.3
Third party payments	2,519	2.1
Business rates collection fund deficit due to COVID-19 reliefs	15,920	13.4
Transfers to reserves	18,517	15.5
Transfer to General Fund	1,215	1.0
Capital costs	991	0.8
Total expenditure	**119,221**	**100.0**

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 2021 to 2022. The council is required to repay the deficit to the collection fund in 2022 to 2023 and this will be funded from the grant set aside in the reserve.

Details of significant variances against budget can be seen in the report reference PAS/WS/21/011, entitled '2021 to 2022 Performance Report Quarter 4' considered by the Performance and Audit Scrutiny Committee on 26 May 2022.

The council's capital expenditure for 2021 to 2022 totalled around £24 million, which included investment in the council's wholly owned housing company Barley Homes (£3.7 million), expenditure on the redevelopment of 17 to 18 Cornhill, Bury St Edmunds (£4.4 million), Mildenhall Hub (£2.8 million), investment in Public Sector Decarbonisation (£2.0 million) and purchase of vehicles and plant (£1.9 million). The council spent approximately £1.3 million on capital grants within the year. Around £4.7 million of the total £24 million spend for 2021 to 2022 was funded from the council's usable capital receipts, a further £7.9 million from grants and contributions, and £4.3 million being funded from revenue reserves. The remaining amount was funded through the council's internal and external borrowing.

Material and unusual charges or credits within the statements

The council invested in its land and buildings during 2021 to 2022, 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.

What do the accounts mean?

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

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

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

Explanation of the statements

The statements included in the accounts are explained below:

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

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

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

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

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

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

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

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

Retirement benefits

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

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

The figures contained in the Statement of Accounts are based on the latest actuarial valuation of the pension fund as at 31 March 2022 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 £63.2 million.

The liabilities show the underlying commitments that the council has in the long run to pay retirement benefits. The total liability of £63.2 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.

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

Significant provisions, contingencies or write-Offs

The council has reduced its provisions by £1.2 million during the year to £5.1 million for the financial year ending 31 March 2022. These provisions are detailed in Note 20 to the accounts.

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

Significant cashflows present and future

During 2021 to 2022 West Suffolk Council made loans and investments in its wholly owned housing delivery company, Barley Homes, totalling £3.6 million with Barley Homes also repaying loans back to West Suffolk Council, totalling £6.55 million. West Suffolk Council also invested in the ongoing construction of Mildenhall Hub (£2.7 million) and the regeneration of 17 to 18 Cornhill, Bury St Edmunds (£4.4 million). Further details are given in Note 4 Material Items of Income and Expense.

Key strengths and resources

Employees

As at March 2022, West Suffolk Council employed 705 staff, with a voluntary staff turnover rate of 12.88 per cent and an average sickness level of 6.61 days per full time equivalent (FTE) member of staff during 2021 to 2022. 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 2021 to 2022 was £235.6 million.

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

Governance

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

- conducted its activities in a lawful way, in accordance with proper governance standards

- put in place arrangements to ensure public money is safeguarded and accounted for being used in an economic, efficient, and effective way

- managed risks to its business

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

Progress and achievement

The West Suffolk Council Annual Report 2021 to 2022 covers the period from 1 April 2021 to 31 March 2022. 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 quarters one to three of 2021 to 2022 balanced scorecards (one per strategic priority area) continued to be the vehicle for reporting progress against performance indicators. In quarter four, these were replaced with interactive dashboards. The performance reports were generated monthly and presented quarterly to the Performance and Audit Scrutiny Committee (PASC) together with the financial performance reports. They show key items for each service and historical trends, providing pertinent information to aid portfolio holders, 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 arrangements

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

Looking to the future – 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. This work will be set in the context of the Government's Levelling Up White Paper, including the devolution of powers, joint working with other authorities and new approaches to accessing funding, such as the UK Shared Prosperity Fund.

As in previous years, West Suffolk's approach will be on building the resilience of individuals, their families and communities, as well as supporting businesses to grow. 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, maintaining 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. Much remains uncertain at this stage including the impact of major global economic pressures such as increasing energy and fuel prices and the inflationary impact of the war in Ukraine on food and other commodities, in addition to the ongoing effects of COVID-19. 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 2021 to 31 March 2022 has been prepared and I confirm that these accounts were approved by West Suffolk Council at the meeting held on 30 March 2023.

Signed:

Peter Armitage

Councillor Peter Armitage
Chair of Performance and Audit Scrutiny Committee

Date: 28 July 2023

Statement of responsibilities for the Statement of Accounts

The council's responsibilities

The council is required to:

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

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

- approve the Statement of Accounts.

The Chief Financial Officer's responsibilities

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

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

- selected suitable accounting policies and then applied them consistently

- made judgements and estimates that were reasonable and prudent

- complied with the local authority code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date

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

Certificate by the Chief Financial Officer (S151 Officer)

I certify that the Statement of Accounts has been prepared in accordance with the proper accounting practices and presents a true and fair view of the financial position of the council as at 31 March 2022 and its income and expenditure for the year then ended.

Signed:

Rachael Mann

Rachael Mann
Chief Financial Officer (Section 151 Officer)

Date: 28 July 2023

Diane Hind

Councillor Diane Hind
Portfolio Holder for Resources

Date: 28 July 2023

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 prior year comparator figures below have been restated to reflect changes to the council’s management reporting structure which took effect from 1 April 2021. This is presentational only and does not change the overall net cost of services.

	2021 to 2022			2020 to 2021 Restated		
	Net expenditure chargeable to the General Fund	**Adjustments between funding and accounting basis (Note 7)**	**Net expenditure in the Comprehensive Income and Expenditure Statement**	**Net expenditure chargeable to the General Fund**	**Adjustments between funding and accounting basis (Note 7)**	**Net expenditure in the Comprehensive Income and Expenditure Statement**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Resources and Property	(486)	3,614	**3,128**	1,288	6,381	**7,669**
Human Resources, Governance and Regulatory	2,734	336	**3,070**	2,635	679	**3,314**
Families and Communities	4,019	469	**4,488**	4,123	1,290	**5,413**
Planning and Growth	2,276	986	**3,262**	2,507	790	**3,297**
Operations	7,163	15,340	**22,503**	10,086	12,989	**23,075**
Chief Executive's Team	781	286	**1,067**	687	198	**885**
Net cost of services	**16,487**	**21,031**	**37,518**	**21,326**	**22,327**	**43,653**
Other income and expenditure	(16,487)	2,529	**(13,958)**	(21,237)	(13,133)	**(34,370)**
(Surplus) or deficit on provision of services	**0**	**23,560**	**23,560**	**89**	**9,194**	**9,283**
Opening General Fund balance at 1 April	**(4,829)**			**(4,918)**		
Add: deficit on General Fund in the year	**0**			**89**		
Add: Budgeted contribution to General Fund	**(1,216)**			**0**		
Closing General Fund balance at 31 March	**(6,045)**			**(4,829)**		

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 prior year comparator figures below have been restated to reflect changes to the council's management reporting structure which took effect from 1 April 2021. This is presentational only and does not change the overall net cost of services.

	Note	2021 to 2022 Gross expenditure £000	2021 to 2022 Gross income £000	2021 to 2022 Net expenditure /(income) £000	2020 to 2021 Restated Gross Expenditure £000	2020 to 2021 Restated Gross Income £000	2020 to 2021 Restated Net Expenditure /(Income) £000
Resources and Property		44,992	41,864	**3,128**	51,797	44,128	**7,669**
Human Resources, Governance and Regulatory		7,595	4,525	**3,070**	7,024	3,710	**3,314**
Families and Communities		8,552	4,063	**4,489**	8,574	3,161	**5,413**
Planning and Growth		5,816	2,554	**3,262**	5,830	2,533	**3,297**
Operations		39,790	17,287	**22,503**	35,228	12,153	**23,075**
Chief Executive's Team		1,181	114	**1,067**	899	14	**885**
Cost of Services		**107,926**	**70,407**	**37,519**	**109,352**	**65,699**	**43,653**
Other operating expenditure	11	18,509	0	**18,509**	3,104	0	**3,104**
Financing and investment income and expenditure	12	2,275	619	**1,656**	2,086	591	**1,495**
Taxation and non-specific grant income	13	0	34,124	**(34,124)**	0	38,969	**(38,969)**
(Surplus) or deficit on provision of services		**128,710**	**105,150**	**23,560**	**114,542**	**105,259**	**9,283**
Surplus on revaluation of Property, Plant and Equipment assets	21			**(16,852)**			**(15,669)**
Actuarial (gains) or losses on pension assets and liabilities	31			**(33,526)**			**28,885**
Other comprehensive (income) or expenditure				**(50,378)**			**13,216**
Total comprehensive (income) or expenditure				**(26,818)**			**22,499**

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 - 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	9	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**

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

The increase in the General Fund and Earmarked Reserves balance in 2020 to 2021 included £16 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 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. £16 million of the set aside grants were utilised in 2021 to 2022 towards the repayment of the deficit. Another £7 million of Section 31 grant was paid into the reserve during 2021 to 2022 relating to further business rate reliefs awarded during the year, and this will be used to fund the resulting collection fund deficit for 2021 to 2022 repayable in 2022 to 2023. Further details can be found in Note 10 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 2022 £000	31 March 2021 £000
Property, plant and equipment	14	266,878	265,197
Heritage assets	15	7,291	7,279
Intangible assets		149	149
Long-term investments	18	1,164	1,151
Long-term debtors	16	3,307	7,543
Long-term assets		**278,789**	**281,319**
Short-term investments	18	47,527	8,516
Assets held for sale		476	476
Inventories		250	184
Short-term debtors	16	20,355	31,452
Cash and cash equivalents	17	19,314	22,650
Current assets		**87,922**	**63,278**
Short-term borrowing	18	(2)	(2)
Short-term creditors	19	(59,484)	(49,071)
Short-term provisions	20	(4,628)	(5,851)
Short term grants received in advance	27	(4,030)	0
Current liabilities		**(68,144)**	**(54,924)**
Long-term provisions	20	(500)	(475)
Long-term borrowing	18	(14,000)	(4,000)
Long-term grants received in advance	27	(7,459)	(8,461)
Other long-term liabilities	31	(63,188)	(90,135)
Long-term liabilities		**(85,147)**	**(103,071)**
Net assets		**213,420**	**186,602**
Usable reserves		(58,100)	(61,964)
Unusable reserves	21	(155,320)	(124,638)
Total reserves		**(213,420)**	**(186,602)**

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2022 and its income and expenditure for the year ended 31 March 2022. These financial statements replace the unaudited financial statements certified by the S151 officer on 28 June 2022.

Signed: Rachael Mann

Date: 28 July 2023

Rachael Mann
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	2021 to 2022 £000	2020 to 2021 £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)		23,560	9,283
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	22	(54,396)	(46,375)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	22	6,537	7,630
Net cash flows from operating activities		**(24,299)**	**(29,462)**
Investing activities	23	37,719	8,215
Financing activities	24	(10,084)	17,484
Net (increase) or decrease in cash and cash equivalents		**3,336**	**(3,763)**
Cash and cash equivalents at the beginning of the reporting period		(22,650)	(18,887)
Cash and cash equivalents at the end of the reporting period	17	**(19,314)**	**(22,650)**

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 2022 to 2023 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:

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:

    - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
    - IAS 37 (Onerous contracts) – clarifies the intention of the standard
    - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
    - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 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 additional one year financial settlements for 2021 to 2022 and 2022 to 2023, 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 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 29 Related Parties).

- On 25 October 2007, West Suffolk's predecessor authority, St Edmundsbury Borough Council, established a joint committee with Suffolk County Council for the purpose of overseeing the construction and operation of a new joint office building in Bury St Edmunds, West Suffolk House. The council has determined that this joint committee is accounted for as a 'jointly controlled operation' whereby each authority accounts for its share of costs and assets (see also Note 29 Related Parties).

- On 1 April 2006 the council's predecessor authority, Forest Heath District Council, joined Breckland District Council to set up the Anglia Revenues Partnership (ARP). The partnership was subsequently extended to include East Cambridgeshire, St Edmundsbury, Fenland, Suffolk Coastal and Waveney District Councils with effect from 1 April 2015. From 1 April 2019, Forest Heath and St Edmundsbury were replaced by the newly formed West Suffolk Council, and Suffolk Coastal and Waveney were replaced by East Suffolk Council. The ARP is governed on a joint committee basis, the purpose of which is to provide a shared revenues and benefits service for the member councils. The council has determined that this joint committee is accounted for as a 'jointly controlled operation' whereby each authority accounts for its share of costs and assets (see also Note 29 Related Parties).

- Barley Homes Group Limited is a company set up and wholly owned by the council to build homes for sale and rent. The council has determined that this company is within its group boundary and is a subsidiary of the council. As such, group accounts have been prepared since 2020 to 2021 (see also Note 29 Related Parties and Group Accounts).

- The council has undertaken a review of the potential outcome of significant legal claims by or against the council, full details of which are Note 33 Contingent Liabilities and Note 34 Contingent Assets.

Note 3 Future assumptions and other major sources of estimation uncertainty

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

The items in the council's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, plant and equipment - depreciation

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

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

It is estimated that the annual depreciation charge for buildings would increase by £0.693 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 £5.30 million.

A 1 year increase in member life expectancy would result in an additional 4 per cent employer liability totalling approximately £11.97 million.

A 0.1 per cent increase in the pension increase rate would result in an additional 2 per cent employer liability totalling approximately £4.55 million.

Arrears

At 31 March 2022, the council had a sundry debt balance of £23.750 million (£34.978 million at 31 March 2021). A review of an aged debt analysis suggested that an allowance for doubtful debts in 2021 to 2022 of £3.395 million (£3.527 million in 2020 to 2021) 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 £3.395 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 2021 to 2022. £7.2 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). Also reflected within the CIES are Section 31 grants amounting to around £7 million relating to COVID-19 reliefs awarded to business rate payers. 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.

Further details of the COVID-19 grants received during 2020 to 2021 and 2021 to 2022 are given in Note 28 Grant Income.

Further details of the impact of COVID-19 on the council's finances are set out in Note 6 Going Concern.

Land and property

During 2021 to 2022 the council spent £2.6 million on the Mildenhall Hub project, which became operational in June 2021. This project brings 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 and so on. More information about this project can be found at www.mildenhallhub.info

Once Mildenhall Hub became operation in June 2021, the school element of the building was assigned a 125 year lease to Suffolk County Council, who in turn leased it on to Academy Transformation Trust for the same period. As such, this element of the building was removed from West Suffolk Council's Balance Sheet, resulting in a £14.7 million loss on disposal of fixed assets. The school element of the building was fully funded by grants from the Department of Education.

The council also spent £4.4 million on the redevelopment of 17-18 Cornhill, Bury St Edmunds which combines bringing a vacant site back into use with two retail units as well as 12 residential flats whilst also improving the connection between the new shopping area and the old town centre.

Loans to external organisations

Loans totalling £3.6 million were granted to Barley Homes (Group) Limited in 2021 to 2022. Barley Homes also repaid £6.55 million of loans back to West Suffolk Council in 2021 to 2022. Barley Homes is the council's wholly owned housing delivery company, who in 2021 to 2022 completed development on their first fully policy compliant housing schemes in Haverhill at Westfield, delivering 37 new homes of which 11 were affordable homes. Another site at Castle Hill in Haverhill is also being developed, with 26 homes being built, of which 8 will be affordable homes.

Vehicle and plant purchases

As part of its ongoing vehicle replacement programme, the council spent £1.9 million on Vehicles and Plant during 2021 to 2022.

Note 5 Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 28 July 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, 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 2022, and up to the date when these accounts were authorised, which require any adjustments to these accounts.

Note 6 Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021 to 2022 (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 2021 to 2022. 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 Department for Levelling Up, Housing and Communities (DLUHC) detailed the financial impacts of COVID-19 on the council. The final submission for the year, covering the period from April 2021 to March 2022, showed a total impact of £3.8 million (costs of £1.2 million and lost income of £2.6 million). DLUHC have confirmed that they will not be continuing these returns beyond 2021 to 2022.

The council's approved budgets for 2021 to 2022 included estimated COVID-19 related pressures of around £1.1 million, plus the confirmed 2021 to 2022 Local Authority COVID-19 Support Grant £871,000, giving an overall provision of £2 million. Funding of COVID-19 costs in excess of this provision was achieved through the work of the council, utilising existing budgets, cost reductions, delivery of COVID-19 related initiatives within existing resources, and external grants, details of which are included in Note 28 Grant Income. The resulting net deficit of £291,000 was met from the council's General Fund.

The impact of COVID-19 is expected to continue into 2022 to 2023 albeit at a reduced level. 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
As at 31 March 2022	£6.0 million	£45.9 million	£51.9 million

The earmarked reserves include Section 31 grant from the government, amounting to £7 million, received during 2021 to 2022 to fund the repayment of the collection fund deficit caused by the COVID-19 business rate reliefs awarded in the year. The deficit must be repaid to the collection fund in 2022 to 2023 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 2022.

The council's approved budget for 2022 to 2023 includes provision for further COVID-19 costs and income losses of £0.5 million. Although DLUHC monitoring has now finished, the council will continue to review this situation internally as part of its monthly performance monitoring reports to Leadership Team and quarterly reports to Performance and Audit Scrutiny Committee.

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 again delayed due to COVID-19 and the government rolled forward a further one year settlement for 2022 to 2023 in line with that for 2021 to 2022. It is expected that this will also be the position for 2023 to 2024. However, due to the uncertainty around this, our Medium Term Financial Strategy (MTFS) assumes no government support beyond 2022 to 2023 other than Baseline Funding and around half of current local growth in respect of Business Rates. 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.

In addition to the ongoing impact of COVID-19, there have been several other major global economic pressures, including increasing energy and fuel prices and the inflationary impact of the war in Ukraine on food and other commodities. These are all contributing to an increase in inflation generally and will have a knock-on effect on a number of areas in the council's budgets, for example vehicle fuel, utilities, salaries, supply delays, interest costs and the increasing cost of external contracts. Work is underway to quantify these budgetary pressures, and this will inform future reporting to the council.

The impact of COVID-19 on the General Fund has not been as adverse as expected and budgeted for and, consequently, the General Fund balance stands at just over £6 million, compared to an anticipated balance of £5 million. The additional amount will be available to fund the inflationary pressures outlined previously, and the uncertainty around the recovery from the effects of COVID-19.

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 £87.2 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 £60.25 million at July 2023 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 7 Note to expenditure and funding analysis

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

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

Previous year - 2020 to 2021 restated	Adjustments for Capital Purposes (Note a)	Net change for the Pensions Adjustment (Note b)	Other differences (Note c)	Total adjustments
	£000	£000	£000	£000
Resources and Property	7,490	53	(1,162)	**6,381**
Human Resources, Governance and Regulatory	644	143	(108)	**679**
Families and Communities	6	193	1,091	**1,290**
Planning and Growth	9	170	611	**790**
Operations	14,961	408	(2,380)	**12,989**
Chief Executive's Team	0	32	166	**198**
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**

The prior year comparator figures have been restated to reflect changes to the Council’s management reporting structure which took effect from 1 April 2021. This is presentational only and does not change the overall Net Cost of Services.

Note a - Adjustments for capital purposes

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

- other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets

- financing and investment income and expenditure – the statutory charges for capital financing, in other words Minimum Revenue Provision and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices

- taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions, or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note b – Net change for the pension adjustments

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

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

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

Note c – Other differences

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

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

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

Note 8 Expenditure and income analysed by nature

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

	Note	2021 to 2022 £000	2020 to 2021 £000
Expenditure			
Employee benefits expenses		**36,820**	32,092
Other services expenses		**23,589**	22,410
Parish precept payments	11	**4,359**	4,346
Other third party payments		**3,890**	3,594
Housing benefit payments		**28,298**	30,890
Depreciation, amortisation and revaluation	9	**17,434**	22,281
Interest payable		**170**	171
(Gain) or loss on the disposal of assets	11	**14,150**	(1,242)
Total expenditure		**128,710**	**114,542**
Income			
Fees, charges and other service income		**(33,494)**	(25,772)
Interest and investment income	12	**(619)**	(591)
Income from council tax	13	**(15,126)**	(14,199)
Income from business rates	13	**(8,795)**	(7,729)
Grants and contributions		**(47,116)**	(56,968)
Total income		**(105,150)**	**(105,259)**
(Surplus) or deficit on the provision of services		**23,560**	**9,283**

Notes

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

(Gain) or loss on the disposal of assets - the increase primarily relates to the removal of Mildenhall College Academy from the council's balance sheet on the completion of Mildenhall Hub. Further details can be found in Note 4 Material items of income and expense.

Note 9 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the council to meet future capital and revenue expenditure. The transactions for the year ended 31 March 2022 are as follows:

Current year - 2021 to 2022	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	6,624	0	0	(6,624)
Revaluation gains/losses on property, plant and equipment	10,780	0	0	(10,780)
Amortisation of intangible assets	30	0	0	(30)
Capital grants and contributions applied	(7,908)	0	0	7,908
Revenue expenditure funded from capital under statute	1,372	0	0	(1,372)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	14,150	1,296	0	(15,446)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement				
Statutory provision for the financing of capital investment	(761)	0	0	761
Capital Expenditure charged against the General Fund Balance	(4,304)	0	0	4,304

Continued on the following page.

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

Prior 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 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 or 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.

Prior 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 from Capital Adjustment Account on receipt of capital loan repayment	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)**

Note 10 Transfers to or (from) earmarked reserves

General fund reserves	Balance at 1 April 2020	Transfers out 2020 to 2021	Transfers in 2020 to 2021	Balance at 1 April 2021	Transfers out 2021 to 2022	Transfers in 2021 to 2022	Balance at 31 March 2022
	£000	£000	£000	£000	£000	£000	£000
Strategic reserves							
Strategic priorities and MTFS reserve	**7,617**	(6,825)	3,089	**3,881**	(1,663)	1,062	**3,280**
COVID-19 reserve	**0**	(1,625)	2,107	**482**	(1,047)	872	**307**
Investing in our growth agenda reserve	**1,450**	(387)	5	**1,068**	(274)	0	**794**
BRR pilot place-based reserve	**3,129**	(71)	0	**3,058**	(911)	0	**2,147**
Financial planning reserves							
Invest to save reserve	**4,047**	(490)	1,268	**4,825**	(1,032)	609	**4,402**
BRR equalisation reserve	**7,100**	0	18,865	**25,965**	(18,464)	8,331	**15,832**
Housing benefits equalisation reserve	**294**	0	0	**294**	(66)	330	**558**
Capital project financing reserve	**1,341**	0	1,051	**2,392**	0	2,510	**4,902**
Interest equalisation reserve	**698**	0	167	**865**	(878)	13	**0**
Self insured reserve	**411**	(23)	20	**408**	(34)	20	**394**
Election reserve	**58**	(3)	112	**167**	(12)	61	**216**
Planning reserve	**461**	(293)	304	**472**	(291)	170	**351**
Service delivery reserves							
Computer equipment reserve	**292**	(240)	167	**219**	(344)	301	**176**
Office equipment reserve	**390**	(169)	50	**271**	(35)	76	**312**
Anglia Revenues Partnership reserve	**965**	0	11	**976**	(300)	66	**742**

Continued on following page.

General fund reserves continued	Balance at 1 April 2020	Transfers out 2020 to 2021	Transfers in 2020 to 2021	Balance at 1 April 2021	Transfers out 2021 to 2022	Transfers in 2021 to 2022	Balance at 31 March 2022
	£000	£000	£000	£000	£000	£000	£000
Vehicle and plant renewal reserve	**2,031**	(581)	875	**2,325**	(1,868)	994	**1,451**
Waste management reserve	**285**	(94)	103	**294**	(133)	82	**243**
Building repairs reserve	**2,273**	(1,572)	1,657	**2,358**	(2,074)	3,735	**4,019**
Car park development reserve	**0**	(9)	331	**322**	(111)	811	**1,022**
Industrial rent reserve	**535**	(110)	0	**425**	(110)	715	**1,030**
Abbey Gardens donation reserve	**39**	0	0	**39**	0	0	**39**
Newmarket Stallion reserve	**21**	0	0	**21**	0	0	**21**
Homelessness legislation reserve	**607**	(913)	1,117	**811**	(1,328)	2,069	**1,552**
Section 106 reserves							
Commuted maintenance reserve	**842**	(86)	698	**1,454**	(125)	23	**1,352**
Section 106: public service village reserve	**80**	0	0	**80**	0	0	**80**
Section 106 monitoring officer reserve	**68**	(66)	68	**70**	(68)	38	**40**
Section 106 revenue reserve	**130**	(50)	0	**80**	0	0	**80**
Other reserves							
Museums - Gershom Parkington bequest reserve	**577**	(8)	11	**580**	(6)	13	**587**
Total	**35,741**	**(13,615)**	**32,076**	**54,202**	**(31,174)**	**22,901**	**45,929**
Net movement in the year				**18,461**			**(8,273)**

BRR equalisation reserve
The government granted COVID-19 business rate reliefs to retail, hospitality and leisure services during 2020 to 2021 and 2021 to 2022, 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 and 2022 to 2023. Section 31 grant of £16 million was paid to the council's general fund in 2020 to 2021 and a further £7 million in 2021 to 2022 and both sums have been set aside in this reserve in order to fund the deficit repayments.

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.

Business rates retention (BRR) Equalisation reserve – to neutralise the impact of any year on year fluctuations in growth or reduction of business rate income, under the business rates retention scheme. Contributions to the reserve during 2021 to 2022 include £8 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 2022 to 2023 to fund the repayment by the council of the resultant deficit on the collection fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 11 Other operating expenditure

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

	2021 to 2022 £000	2020 to 2021 £000
Parish council precepts	4,359	4,346
(Gains) or losses on the disposal of non-current assets	14,150	(1,242)
	18,509	**3,104**

The large increase in losses on disposal of non-current assets relates to the removal of Mildenhall College Academy from the council’s balance sheet on the completion of the Mildenhall Hub capital project. Further details are given in Note 4 Material items of income and expense.

Note 12 Financing and investment income and expenditure

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

	2021 to 2022 £000	2020 to 2021 £000
Interest payable and similar charges	234	171
Interest receivable and similar income	(619)	(591)
Change in impairment allowance for doubtful debts	192	550
Net interest on the net defined benefit liability asset	1,849	1,365
	1,656	**1,495**

Note 13 Taxation and non-specific grant income

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

	2021 to 2022 £000	2020 to 2021 £000
Council tax income	(15,126)	(14,199)
Business rates income and expenditure	(8,795)	(7,729)
Non-ringfenced government grants:		
Revenue Support Grant	(200)	(199)
Rural Services Delivery Grant	(181)	(173)
New Homes Bonus	(1,320)	(1,811)
Lower Tier Services Grant	(192)	0
COVID-19 Local Authority Support Grant	(872)	(2,558)
COVID-19 Sales, Fees and Charges Compensation	(673)	(3,841)
COVID-19 Local Council Tax Support Grant	(216)	0
Capital Grants and contributions	(6,549)	(8,459)
	(34,124)	**(38,969)**

Note 14 Property, plant and equipment

Movements on balances

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

The note below details the movements on balances in the financial year ended 31 March 2022. Further details of the additions for the year can be found in Note 4 Material items of income and expense.

2020 to 2021 - 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 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 / Deficit on the Provision of Services	0	3,624	0	0	0	107	0	**3,731**
Revaluation (decreases) recognised in the Surplus / 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 - 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 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 / Deficit on the Provision of Services	0	500	0	0	0	0	0	**500**
Revaluation losses - depreciation written out to the Surplus / 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) / 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**

2021 to 2022 - 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 2021	**1,077**	**204,798**	**20,084**	**4,358**	**649**	**4,854**	**43,646**	**279,466**
Additions	0	2,282	4,628	0	0	3,448	7,334	**17,692**
Revaluation increases recognised in the Revaluation Reserve	0	18,449	0	6	0	107	0	**18,562**
Revaluation (decreases) recognised in the Revaluation Reserve	0	(4,771)	(25)	0	0	0	0	**(4,796)**
Revaluation increases recognised in the surplus or deficit on the Provision of Services	0	1,068	0	0	0	0	0	**1,068**
Revaluation (decreases) recognised in the Surplus or Deficit on the Provision of Services	0	(12,601)	0	0	0	0	0	**(12,601)**
Derecognition - disposals	0	(15,587)	(1,132)	0	0	0	0	**(16,719)**
Reclassifications and transfers between PPE categories	0	44,102	461	0	0	0	(44,563)	**0**
At 31 March 2022	**1,077**	**237,740**	**24,016**	**4,364**	**649**	**8,409**	**6,417**	**282,672**

2021 to 2022 - 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 2021	**(17)**	**(2,409)**	**(10,062)**	**(1,715)**	**0**	**(66)**	**0**	**(14,269)**
Depreciation Charge	(14)	(4,746)	(1,533)	(305)	0	(22)	0	**(6,620)**
Revaluation gains - depreciation written out to the Revaluation Reserve	0	2,364	0	9	0	0	0	**2,373**
Revaluation losses - depreciation written out to the Revaluation Reserve	0	686	13	0	0	0	0	**699**
Revaluation gains - depreciation written out to the Surplus or Deficit on the Provision of Services	0	245	0	0	0	0	0	**245**
Revaluation losses - depreciation written out to the Surplus or Deficit on the Provision of Services	0	505	0	0	0	0	0	**505**
Derecognition - disposals	0	164	1,109	0	0	0	0	**1,273**
At 31 March 2022	**(31)**	**(3,191)**	**(10,473)**	**(2,011)**	**0**	**(88)**	**0**	**(15,794)**
Net Book Value								
At 31 March 2022	**1,046**	**234,549**	**13,543**	**2,353**	**649**	**8,321**	**6,417**	**266,878**
At 31 March 2021	**1,060**	**202,389**	**10,022**	**2,643**	**649**	**4,788**	**43,646**	**265,197**

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 2021 to 2022 the Mildenhall Hub was revalued by the council's appointed valuer Wilks, Head and Eve, using a combination of the Depreciated Replacement Cost (DRC) method and the Existing Use Value (EUV) method. The specialist areas of the building, such as the leisure centre and library were valued using DRC, whereas the office areas and health facility was valued under EUV. A net revaluation loss of £3.95 million has been reflected in the table above.

Other significant impairments include £1.9 million on Moreton Hall Community Centre and £1.7 million on Brandon Leisure Centre.

Capital commitments

At 31 March 2022, the council had the following capital commitment:

17-18 Cornhill, Bury St Edmunds - £1.66 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 full contract sum is currently £6,362,110. Payments already made total £4,700,699. The total forecast 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 2021 to 2022 were prepared by Wilks, Head and Eve 3rd Floor, 55 New Oxford Street, London WC1A 1BS.

	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infra-structure Assets £000	Com-munity Assets £000	Dwellings £000	Surplus Assets £000	Assets under Construc-tion £000	Total Property, Plant and Equipment £000
Carried at historical	490	13,255	1,978	464	0	4,594	6,417	**27,198**
Valued at fair value								
31 January 2022	112,854	288	375	0	0	0	0	**113,517**
31 January 2021	92,176	0	0	0	0	1,917	0	**94,093**
31 January 2020	4,842	0	0	0	1,047	297	0	**6,186**
31 January 2019	22,610	0	0	0	0	0	0	**22,610**
31 January 2018	1,577	0	0	185	0	1,513	0	**3,275**
Total Net Book Value	**234,549**	**13,543**	**2,353**	**649**	**1,047**	**8,321**	**6,417**	**266,878**

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 2022 £000
Development Land	0	8,321	0	**8,321**
Total	**0**	**8,321**	**0**	**8,321**

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 2021 £000
Development Land	0	4,788	0	**4,788**
Total	**0**	**4,788**	**0**	**4,788**

There were no transfers between levels during the year.

Valuation techniques used to determine Level 2 fair values

Significant observable inputs - Level 2

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

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

Note 15 Heritage assets

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

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

	Statues and Monu-ments £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 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**
At 1 April 2021	253	155	71	3,323	2,592	563	322	**7,279**
Transfers between components	(3)	0	0	0	0	1	2	**0**
Impairment to revaluation losses to (reversals) recognised in the Revaluation Reserve	0	0	0	(94)	0	0	0	**(94)**
Revaluation gains recognised in the Revaluation Reserve	0	0	0	110	0	0	0	**110**
Depreciation	(1)	0	0	0	0	0	(3)	**(4)**
At 31 March 2022	**249**	**155**	**71**	**3,339**	**2,592**	**564**	**321**	**7,291**

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

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

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

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

Additions, disposals and impairment of heritage assets

There have been no disposals or impairment of significant heritage asset items over the past five 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 five year period has been included below for illustrative purposes only.

	2017 to 2018 £000	2018 to 2019 £000	2019 to 2020 £000	2020 to 2021 £000	2021 to 2022 £000
Valuations for illustrative purposes					
Statues and monuments	257	255	254	253	**249**
Archaeology	0	0	155	155	**155**
Social History	0	0	71	71	**71**
Fine and Decorative Art	3,421	3,421	3,323	3,323	**3,339**
Horology	2,682	2,682	2,592	2,592	**2,592**
Civic items	563	563	563	563	**564**
Other heritage assets	66	64	325	322	**321**
Total heritage assets	**6,989**	**6,985**	**7,283**	**7,279**	**7,291**

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

Note 16 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 2022 £000	31 March 2021 £000
Central Government bodies	3,583	17,482
Other local authorities	4,046	5,716
Housing associations	1,174	441
Council tax or business rate payers and housing benefit debtors	2,685	2,713
Trade debtors	8,055	4,450
Other entities and individuals	812	650
Total short-term debtors	**20,355**	**31,452**

Central government bodies - The high balance at 31 March 2021 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.

Long term debtors

	31 March 2022 £000	31 March 2021 £000
Loan to Barley Homes Group Ltd	0	5,250
Other long term loans and mortgages	3,307	2,293
Total long-term debtors	**3,307**	**7,543**

Note 17 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 2022 £000	31 March 2021 £000
Cash held by the council	3	3
Bank current or instant access accounts	19,311	22,647
Total cash and cash equivalents	**19,314**	**22,650**

Note 18 Financial instruments

Categories of financial instruments

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

	Long-term 31 March 2022 £000	Current 31 March 2022 £000	Long-term 31 March 2021 £000	Current 31 March 2021 £000
IFRS 9 BASIS				
Investments				
Amortised cost				
Money market loans (long-term and short-term investments)	563	47,527	550	8,516
Equity investments	601	0	601	0
Cash and cash equivalents	0	19,314	0	22,650
Total investments	**1,164**	**66,841**	**1,151**	**31,166**
Debtors				
Amortised cost	3,307	11,718	7,543	5,333
Total debtors	**3,307**	**11,718**	**7,543**	**5,333**
Borrowings				
Financial liabilities at amortised cost	14,000	2	4,000	2
Total borrowings	**14,000**	**2**	**4,000**	**2**
Creditors				
Financial liabilities at amortised cost	7,116	9,048	8,461	4,336
Total creditors	**7,116**	**9,048**	**8,461**	**4,336**

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.

	2021 to 2022			2020 to 2021		
	Financial liabilities at amortised cost	Financial assets at amortised cost	Total	Financial liabilities at amortised cost	Financial assets at amortised cost	Total
	£000	£000	£000	£000	£000	£000
Interest expense	230	0	**230**	170	0	**170**
Total expense in Surplus or Deficit on the Provision of Services	**230**	**0**	**230**	**170**	**0**	**170**
Interest income	0	(564)	**(564)**	0	(417)	**(417)**
Total income in Surplus or Deficit on the Provision of Services	**0**	**(564)**	**(564)**	**0**	**(417)**	**(417)**
Net (gains) or loss for the year	**230**	**(564)**	**(334)**	**170**	**(417)**	**(247)**

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 2022 Carrying amount	31 March 2022 Fair value	31 March 2021 Carrying amount	31 March 2021 Fair value
	£000	£000	£000	£000
Liabilities Held at Amortised Cost				
Financial liabilities	9,050	9,050	4,338	4,338
Long-term creditors or Borrowings	21,116	21,534	12,461	15,461
Total liabilities	**30,166**	**30,584**	**16,799**	**19,799**
Financial Assets Held at Amortised Cost				
Money market loans:				
Short-term investments	47,527	47,438	8,516	8,530
Long-term investments	1,163	1,163	1,151	1,151
Cash and Cash Equivalents	19,314	19,250	22,650	22,593
Financial assets (debtors)	11,718	11,718	5,333	5,333
Trade and other debtors	3,307	3,307	7,543	7,543
Total assets	**83,029**	**82,876**	**45,193**	**45,150**

In overall terms, the fair value of the investments is £0.153 million less than the book value at 31 March 2022.

Long term creditors relate to the long term loan agreements totalling £14 million, £4 million of 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. The other £10 million was entered into on 3 December 2021, as an Equal Instalment of Principal loan with the Public Works Loans Board (PWLB) at a fixed rate of interest.

Long term creditors also include £7.1 million of grants and contributions 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 16 and Note 19.

Note 19 Creditors

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

	31 March 2022 £000	31 March 2021 £000
Central Government bodies	41,066	38,179
Other local authorities	9,628	3,653
Trade creditors	3,495	2,311
Receipts in advance	2,760	2,903
Other entities and individuals	2,535	2,025
Total short-term creditors	**59,484**	**49,071**

Note 20 Provisions

The table below shows the movements in the council's provisions during the 2021 to 2022 financial year:

	2021 to 2022		2020 to 2021	
	Long Term Provision £000	Short Term Provision £000	Long Term Provision £000	Short Term Provision £000
Balance as at 1 April	**(475)**	**(5,851)**	**(390)**	**(4,141)**
Additional provisions made in the year	**(25)**	**235**	**(85)**	**(1,896)**
Amounts utilised in the year	**0**	**988**	**0**	**186**
Balance as at 31st March	**(500)**	**(4,628)**	**(475)**	**(5,851)**

Long term provisions

The provision of £500,000 relates to accumulated compensated staff absences.

Short term provisions

The provision of £4,628,000 is composed of:

- £199,000 relating to a structural defect claim in respect of a previously owned asset
- £4,429,000 relating to Business Rate Retention Scheme appeals.

The latter is a provision under the system of business rate retention and relates to West Suffolk's share of billing authorities' estimates of the provision required for potential refunds relating to retrospective alterations to the rating list for those appeals that are already lodged with the Valuation Office as at 31 March 2022.

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

Note 21 Unusable reserves

The balances on the council's unusable reserves as at 31 March 2022 are as follows:

	31 March 2022 £000	**31 March 2021 £000**
Revaluation Reserve	**92,652**	77,943
Capital Adjustment Account	**132,801**	153,834
Pensions Reserve	**(63,188)**	(90,135)
Deferred Capital Receipts Reserve	**137**	137
Collection Fund Adjustment Account	**(6,582)**	(16,666)
Accumulated Absences Account	**(500)**	(475)
Total unusable reserves	**155,320**	**124,638**

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 2022 £000	31 March 2021 £000
Balance at 1 April	**77,943**	**63,696**
Upward revaluation of assets	21,042	24,502
Upward or (downward) revaluation of assets and impairment losses not charged to the surplus or deficit on the provision of services	(4,190)	(8,833)
Surplus on revaluation of non-current assets not posted to the surplus or deficit on the provision of service	**16,852**	**15,669**
Difference between fair value depreciation and historical cost depreciation	(1,477)	(1,422)
Accumulated gains on assets sold or scrapped	(666)	0
Balance at 31 March	**92,652**	**77,943**

Capital Adjustment Account

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

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

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

	31 March 2022 £000	31 March 2022 £000	31 March 2021 £000
Balance at 1 April		**153,834**	**154,072**
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	(6,624)		(6,616)
Revaluation gains or (losses) on property, plant and equipment	(10,780)		(15,586)
Amortisation of intangible assets	(30)		(79)
Revenue expenditure funded from capital under statute	(1,372)		(1,738)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(15,446)		(232)
		(34,252)	**(24,251)**
Adjusting amounts written out of the Revaluation Reserve		2,144	1,422
Net written out amount of the cost of non-current assets consumed in the year		**(32,108)**	**(22,829)**
Capital financing applied in the year:			
Use of the Capital Receipts Reserve to finance new capital expenditure	4,652		7,718
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	7,908		9,368
Capital expenditure charged against the General Fund balance	4,304		5,166
		16,864	**22,252**
Minimum revenue provision		761	519
Loan principal repayments		(6,550)	(180)
Balance at 31 March		**132,801**	**153,834**

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 32 Defined Benefit Pension Scheme.

The movements in the Pensions Reserve were as follows:

	31 March 2022 £000	31 March 2021 £000
Balance at 1 April	**(90,135)**	**(58,887)**
Remeasurements of the net defined benefit liability or (asset)	33,526	(28,885)
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	(12,666)	(8,404)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,087	6,041
Balance at 31 March	**(63,188)**	**(90,135)**

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 2022 £000	31 March 2021 £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 2022 £000	31 March 2021 £000
Balance at 1 April	**(16,666)**	**818**
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	730	(319)
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	9,354	(17,165)
Balance at 31 March	**(6,582)**	**(16,666)**

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 2022 £000	31 March 2021 £000
Balance at 1 April	**(475)**	**(390)**
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(25)	(85)
Balance at 31 March	**(500)**	**(475)**

Note 22 Cash flow statement – operating activities

The cash flows for operating activities include the following items:

	2021 to 2022 £000	2020 to 2021 £000
Interest paid	170	170
Interest received	(564)	(417)
Dividends received	(42)	(11)
	(436)	**(258)**

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

	2021 to 2022 £000	2020 to 2021 £000
Depreciation	(6,624)	(6,616)
Amortisation	(30)	(79)
Impairment and upward or (downward) valuations	(10,780)	(15,586)
(Increase) or decrease in revenue creditors	(11,388)	(29,358)
(Increase) or decrease in provisions	1,198	(1,795)
Increase or (decrease) in revenue debtors and payments in advance	(16,193)	25,650
Increase or (decrease) in inventories	66	13
Movement in pensions liability	(6,579)	(2,363)
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)	(14,150)	1,243
Other non-cash items charged to the net surplus or deficit on the provision of services	10,084	(17,484)
	(54,396)	**(46,375)**

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

	2021 to 2022 £000	2020 to 2021 £000
Capital grants credited to surplus or (deficit) on the provision of services	7,908	9,368
Any other items for which the cash effects are investing or financing cash flows	(1,371)	(1,738)
	6,537	**7,630**

Note 23 Cash flow statement – investing activities

The cash flows for investing activities include the following items:

	2021 to 2022 £000	2020 to 2021 £000
Purchase of property, plant and equipment, investment property and intangible assets	16,502	24,733
Purchase or (sale) of short-term and long-term investments	29,587	(2,319)
Other payments for investing activities	5,986	2,185
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(595)	(2,369)
Proceeds from short-term and long-term investments	(564)	(417)
Other receipts from investing activities	(13,197)	(13,598)
Net cash flows from investing activities	**37,719**	**8,215**

Note 24 Cash flow statement – financing activities

The cash flows for financing activities include the following items:

	2021 to 2022 £000	2020 to 2021 £000
Billing authorities - council tax and national non-domestic rates adjustments	(10,084)	17,484
Net cash flows from financing activities	**(10,084)**	**17,484**

Note 25 Members allowances

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

	2021 to 2022 £000	2020 to 2021 £000
Allowances	528	519
Expenses	7	2
Total members allowances and expenses	**535**	**521**

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 26 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	**2021 to 2022**	**154,117**	**0**	**12,109**	**45,148**	**211,374**
	2020 to 2021	141,281	0	10,633	41,419	193,333
Strategic Director	**2021 to 2022**	**111,736**	**887**	**1,400**	**32,733**	**146,756**
	2020 to 2021	107,887	0	5,037	31,629	144,553
Strategic Director	**2021 to 2022**	**111,736**	**0**	**1,880**	**32,733**	**146,349**
	2020 to 2021	107,887	0	2,457	31,629	141,973
Director HR, Governance and Regulatory	**2021 to 2022**	**91,623**	**1,239**	**0**	**26,841**	**119,703**
	2020 to 2021	86,310	1,239	0	25,303	112,852
Director Families and Communities	**2021 to 2022**	**91,623**	**1,239**	**0**	**26,841**	**119,703**
	2020 to 2021	86,310	1,026	0	25,303	112,639
Director Operations	**2021 to 2022**	**91,623**	**0**	**8,231**	**26,841**	**126,695**
	2020 to 2021	87,851	0	8,231	25,755	121,837
Director Planning and Growth	**2021 to 2022**	**91,623**	**1,239**	**0**	**26,841**	**119,703**
	2020 to 2021	86,310	634	3,035	25,303	115,282
Director Resources and Property (S151 Officer)	**2021 to 2022**	**95,135**	**1,239**	**0**	**28,306**	**124,680**
	2020 to 2021	90,134	1,239	0	26,769	118,142
Assistant Director Planning and Regulatory	**2021 to 2022**	**0**	**0**	**0**	**0**	**0**
	2020 to 2021	94,271	1,248	0	25,498	121,017

Assistant Director Planning and Regulatory - 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 (Pay Policy Statement), which sets out how staff pay is determined. It places a particular focus on the remuneration of chief officers and the lowest paid staff, including the relationship between the two.

Remuneration bands – other officers

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

Remuneration band	2021 to 2022 Number of employees	2020 to 2021 Number of employees
£50,000 to £54,999	**17**	13
£55,000 to £59,999	**5**	14
£60,000 to £64,999	**14**	11
£65,000 to £69,999	**1**	0
£70,000 to £74,999	**2**	1

One of the postholders in the £50,000 to £54,999 band and one in the £70,000 to £74,999 band (3 in the £60,000 to 64,999 band for 2020 to 2021), work for Anglia Revenues Partnership. Whilst they are employed by West Suffolk Council, their salary costs are shared across the five councils who make up the partnership.

Exit packages

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

Exit package cost band (including special payments)	Number of compulsory redundancies (a)		Number of other departures agreed (b)		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2021 to 2022 number	2020 to 2021 number	**2021 to 2022 number**	2020 to 2021 number	**2021 to 2022 number**	2020 to 2021 number	**2021 to 2022£**	2020 to 2021£
£0 - £20,000	**5**	3	**2**	1	**7**	4	**96,088**	25,240
£20,001 - £40,000	**3**	1	**0**	0	**3**	1	**91,290**	27,887
£40,001 - £60,000	**1**	0	**0**	0	**1**	0	**41,948**	0
£80,001 - £100,000	**0**	1	**0**	0	**0**	1	**0**	80,548
Total	**9**	5	**2**	1	**11**	6	**229,326**	133,675

Note 27 Grant income

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

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

	2021 to 2022 £000	2020 to 2021 £000
Revenue Support Grant	200	199
Business Rates - Baseline Funding and Section 31 Grants	13,897	22,559
New Homes Bonus	1,320	1,811
Rural Services Delivery Grant	181	173
Lower Tier Service Grant	192	0
COVID-19 Local Authority Support Grant	872	2,558
COVID-19 Local Council Tax Support Grant	216	0
COVID-19 Sales, Fees and Charges Compensation	673	3,841
COVID-19 Local Tax Compensation	0	566
Capital Grants and Contributions	6,549	8,459
Total credited to taxation and non-specific grant income and expenditure	**24,100**	**40,166**

Business rates – baseline funding and Section 31 grants

The figures include 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 and 2022 to 2023.

Credited to services:

	2021 to 2022 £000	2020 to 2021 £000
Revenue grants and contributions:		
Housing Benefits Subsidy	27,769	30,086
Housing Benefits, Business Rates and Council Tax Administration Subsidy	808	798
Homelessness and Rough Sleeping Grants	1,325	1,002
COVID-19 Small Business, Retail, Hospitality and Leisure Funding	0	497
COVID-19 New Burdens Funding	334	613
COVID-19 Protect and Vaccinate Grant	139	0
COVID-19 Council Tax Hardship Funding	0	1,038
COVID-19 Job Retention Scheme Grant	25	193
COVID-19 Sales, Fees and Charges (SFC) Compensation	18	116
COVID-19 Arts Council Culture Recovery Grant	0	460
COVID-19 Self Isolation Payments Funding	341	154
COVID-19 Additional Restrictions Funding	3,837	2,971
COVID-19 Re-opening High Streets Safety Fund	163	101
COVID-19 Next Steps Accommodation Programme Funding	0	175
COVID-19 Clinically Extremely Vulnerable (CEV) Funding	35	380
COVID-19 Home But Not Alone (HBNA) Funding	0	118
COVID-19 Other Enforcement Funding	18	190
COVID-19 Suffolk Inclusive Growth Investment Funding	40	0
COVID-19 Contain Outbreak Management Fund	96	0
COVID-19 Health Protection Board Suffolk Outbreak Management Staff Funding	287	0
COVID-19 West Suffolk Alliance Vaccination Role	41	0
Other Grants and Contributions	277	125
Capital Grants and Contributions:		
S106 Grants and Other Grants	68	227
Disabled Facilities Grant	1,292	683
Total credited to services	**36,913**	**39,927**

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

- COVID-19 Small Business, Retail, Hospitality and Leisure Funding
- COVID-19 Council Tax Hardship Funding
- COVID-19 Self Isolation Payments Funding
- COVID-19 Additional Restrictions Funding

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

	2021 to 2022 £000	2020 to 2021 £000
Short Term Grants Received in Advance:		
COVID-19 Additional Relief (CARF) Grant	3,677	0
COVID-19 Other grants received in advance	83	0
Council Tax Rebate Grant (discretionary fund)	270	0
	4,030	**0**
Long Term Grants Received in Advance:		
Growth Area Initiative Grant	966	966
Disabled Facilities Grant	1,433	1,270
Developer Contributions	4,068	3,112
Land Release Fund	450	450
COVID-19 Additional Restrictions Grant	0	2,200
COVID-19 Contain Outbreak Management Fund	129	0
COVID-19 Suffolk Inclusive Growth Investment Funding	215	0
COVID-19 Other grants received in advance	0	98
Other Grants	198	365
	7,459	**8,461**

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	**Spent in 2020 to 2021**	**Balance at 31 March 2021**	**Received in 2021 to 2022 £000**	**Spent in 2021 to 2022 £000**	**Balance at 31 March 2022 £000**
COVID-19 Agency Grants						
COVID-19 Small Business, Retail, Hospitality and Leisure Grant	38,073	(38,063)	10	0	50	60
COVID-19 Christmas Support Payments Grant	90	(84)	6	0	(4)	2
COVID-19 Self-Isolation Mandatory Grant	114	(86)	28	158	(335)	(149)
COVID-19 Local Restrictions Support Grant	22,168	(14,863)	7,305	0	(812)	6,493
COVID-19 Sport England Leisure Recovery Grant	418	(417)	1	0	0	1
COVID-19 Local Welfare Assistance Scheme	250	0	250	0	0	250
COVID-19 Restart Grant	0	0	0	9,996	(10,079)	(83)
COVID-19 Omicron Hospitality and Leisure Grant	0	0	0	1,740	(1,622)	118
COVID-19 Community Restart Programme Holding Account	0	0	0	251	(201)	50
Total	**61,113**	**(53,513)**	**7,600**	**12,145**	**(13,003)**	**6,742**

In February 2022, the government announced a package of measures to help protect households from rising energy costs. This included a one-off £150 council tax energy rebate payable to households in council tax bands A to D, 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. A sum of £9.533 million was paid to the council in March 2022 to be awarded to households from April 2022, and this sum is included within the year end short term creditors.

Note 28 Related parties

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

Central Government

Central government has effective control over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, provides a significant proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (for example council tax bills, housing benefits). Details on grants received from government departments are set out in Note 13 Taxation and Non Specific Grant Income and Note 27 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 2021 to 2022 is shown in Note 25 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
- West Suffolk Hospital NHS Foundation Trust: Council of Governors
- Verse Facilities Management Ltd

During 2021 to 2022 the council made grant payments totalling £306,494 (2020 to 2021 £402,415) to organisations on which members served. Transactions with Barley Homes (Group) Ltd and Verse Facilities Management Ltd are disclosed separately below.

During 2021 to 2022 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:

	2021 to 2022 £000	2020 to 2021 £000
Income and expenditure in respect of related party transactions during the year		
Expenses	3,063	3,204
Income	(784)	(838)
	2,279	**2,366**

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 £108,000 in 2021 to 2022 (£236,000 in 2020 to 2021).

During 2020 to 2021 Abbeycroft Leisure's ability to operate was impacted by the pandemic and resulting COVID-19 lockdown restrictions. The council made available a £1 million loan facility to ensure the Trust remained viable and able to reopen as part of West Suffolk's COVID-19 recovery response. To date, the Trust has not drawn down any of the loan facility.

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 £90.473 million in 2021 to 2022 (£87.933 million in 2020 to 2021). At 31 March 2022 the council held council tax creditors on behalf of Suffolk County Council and the Office of the Police and Crime Commissioner for Suffolk, totalling £3.357 million (2020 to 2021 £0.206 million debtors).

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 2021 to 2022 was £0.452 million (£0.502 million 2020 to 2021).

Verse Facilities Management Limited

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

The financial share of the company is split 60:40 between the shareholders. A dividend payment of £29,760 was received by West Suffolk in 2021 to 2022 (no dividend was received in 2020 to 2021). 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:

	2021 to 2022 £000	2020 to 2021 £000
Verse Facilities Management Ltd - Results Statement		
Turnover	1,520	1,425
Profit on ordinary activities before taxation	142	102
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).

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

The council has a 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 2022, the company had drawn down £8.25 million and repaid £5.95 million, leaving a net balance due to the council of £2.3 million.

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

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

	2021 to 2022 £000	2020 to 2021 £000
Barley Homes Group Limited - Results Statement		
Turnover	9,303	0
Profit/(Loss) after taxation	1,662	(282)
Net Assets/(Liabilities)	1,149	(513)

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

Note 29 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.

	2021 to 2022 Purchased assets £000	2020 to 2021 Purchased assets £000
Opening capital financing requirement	49,404	40,006
Capital investment		
Property, plant and equipment	17,692	24,534
Intangible assets	29	0
Revenue expenditure funded from capital under statute	1,372	1,737
Loans and advances treated as capital expenditure	4,615	5,799
Purchase of shares in subsidiaries	0	600
Sources of finance		
Capital receipts	(4,652)	(7,718)
Government grants and other contributions	(7,908)	(9,369)
Sums set aside from revenue		
Direct revenue contributions	(4,304)	(5,166)
Loan repayment adjustment	0	(500)
Minimum revenue provision	(761)	(519)
Closing capital financing requirement	**55,487**	**49,404**
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)	6,083	9,398
	6,083	**9,398**

Note 30 Leases

Council as lessee

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

Operating leases

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

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

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

	2021 to 2022 £000	2020 to 2021 £000
Not later than one year	150	162
Later than one year and not later than five years	379	412
Later than five years	4,317	4,039
Balance as at 31 March carried forward	**4,846**	**4,613**

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:

	2021 to 2022 £000	2020 to 2021 £000
Not later than one year	5,135	5,348
Later than one year and not later than five years	14,422	12,504
Later than five years	94,074	92,535
Balance as at 31 March carried forward	**113,631**	**110,387**

The minimum lease payments receivable does not include rents that are contingent on events taking place after the leases were entered into. There were £456,868 contingent rents receivable in 2021 to 2022 (£450,696 in 2020 to 2021) 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 31 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:

	2021 to 2022 £000	2020 to 2021 £000
Comprehensive Income and Expenditure Statement		
Cost of services		
Service costs comprising:		
Current service cost	10,754	6,978
Past service costs (including curtailments)	63	61
Financing and investment income and expenditure		
Net interest expense	1,849	1,365
Total post-employment benefits charged to the surplus or deficit on the provision of services	**12,666**	**8,404**
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)	(18,165)	(32,632)
Actuarial (gains) and losses arising on changes in demographic assumptions	(3,526)	60,488
Actuarial (gains) and losses arising on changes in financial assumptions	(16,716)	3,597
Other (if applicable)	4,881	(2,568)
Sub-total: Actuarial (gains) and losses	**(33,526)**	**28,885**
Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	**(20,860)**	**37,289**
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	(12,666)	(8,404)
Actual amount charged against the General Fund Balance for pensions in the year	**(33,526)**	**28,885**
Employer's contributions payable to scheme	**6,087**	**6,041**

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:

	2021 to 2022 £000	2020 to 2021 £000
Present value of the defined benefit obligation	(299,282)	(306,516)
Fair value of plan assets	236,094	216,381
Net liability arising from defined benefit obligation	**(63,188)**	**(90,135)**

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

	2021 to 2022 £000	2020 to 2021 £000
Opening fair value of scheme assets	**216,381**	**179,748**
Interest income	4,321	4,130
Remeasurement gains or (loss):		
The return on plan assets, excluding the amount included in the net interest expense	18,165	32,632
Other	(2,425)	0
Contributions from employer	5,977	5,928
Contributions from employees into the scheme	1,362	1,331
Contributions in respect of unfunded benefits	110	113
Benefits paid	(7,687)	(7,388)
Unfunded benefits paid	(110)	(113)
Closing fair value of scheme assets	**236,094**	**216,381**

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

	2021 to 2022 £000	2020 to 2021 £000
Opening balance at 1 April	**306,516**	**238,635**
Current service cost	10,754	6,978
Interest cost	6,170	5,495
Contributions from scheme participants	1,362	1,331
Remeasurement (gains) and losses:		
Actuarial (gains) or losses arising from changes in demographic assumptions	(3,526)	60,488
Actuarial (gains) or losses arising from changes in financial assumptions	(16,716)	3,597
Other (if applicable)	2,456	(2,568)
Past service cost	63	61
Benefits paid	(7,687)	(7,388)
Unfunded benefits paid	(110)	(113)
Closing fair value of scheme liabilities	**299,282**	**306,516**

Local Government Pension Scheme assets comprised:

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

Prior 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%**

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 2019.

The significant assumptions used by the actuary have been:

	2021 to 2022	2020 to 2021
Mortality assumptions:		
Longevity at age 65 for current pensioners:		
- Men	**22.0 years**	**22.1 years**
- Women	**24.6 years**	**24.5 years**
Longevity at age 65 for future pensioners:		
- Men	**22.7 years**	**23.2 years**
- Women	**26.2 years**	**26.4 years**
Financial assumptions:		
Rate of increase in pensions	**3.2%**	**2.9%**
Rate of increase in salaries	**4.2%**	**3.6%**
Rate for discounting scheme liabilities	**2.7%**	**2.0%**

Sensitivity analysis

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

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

Impact on the defined benefit obligation in the scheme	Approximate percentage increase to employer liability	Approximate monetary amount
	%	£000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2%	5,298
1 year increase in member life expectancy	4%	11,971
Rate of increase in pensions (increase or decrease by 0.1%)	2%	4,545

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 £5.84 million expected contributions to the scheme in 2022 to 2023.

The weighted average duration of the defined benefit obligation for scheme members is 20 years for 2021 to 2022.

Note 32 Contingent liabilities

As at 31 March 2022, the council had no material contingent liabilities.

Note 33 Contingent assets

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

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

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

Note 34 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 2021 to 2022 was set out in the Annual Treasury Management and Investment Strategy 2021 to 2022, which was approved by the council in February 2021. The following table shows the credit criteria applicable as at 31 March 2022.

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

The full Annual Treasury Management and Investment Strategy for 2021 to 2022 is available on the council's website.

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

	Amount at 31 March 2022	**Historical experience of default**	**Historical experience adjusted for market conditions at 31 March 2022**	**Estimated maximum exposure to default and uncollectability at 31 March 2022**	**Estimated maximum exposure to default and uncollectability at 31 March 2021**
	£000s	**%**	**%**	**£000s**	**£000s**
	A	B	C	**A x C**	
Deposit with banks and other financial institutions	**66,841**	1.650	0.670	**448**	**408**

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 £3.079 million total debt outstanding at 31 March 2022, £1.577 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:

	2021 to 2022 £000	2020 to 2021 £000
Less than three months	**422**	**631**
Three to five months	**164**	**102**
Six months to one year	**276**	**442**
More than one year	**715**	**363**
	1,577	**1,538**

Liquidity risk

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

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

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

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

The maturity analysis of financial liabilities is as follows:

	2021 to 2022 £000	2020 to 2021 £000
Less than one year	**6,030**	**4,336**
Between one and five years	**11,491**	**8,463**
More than five years	**14,000**	**4,000**
	31,521	**16,799**

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

Maturity risk

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

The approved treasury limits for investments placed for more than one year in duration are also a key parameter used to address this risk. As at 31 March 2022, 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 2021 to 2022, 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 £0.563 million making its total shareholdings value £1.163 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 35 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 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
West Stow Anglo-Saxon Village Trust	**6,921**	6,014	(1,468)	**11,467**
94th Bomb Group Memorial Association	**16,331**	28	(90)	**16,269**
Totals	**23,252**	**6,042**	**(1,558)**	**27,736**

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 0.172 per cent. This amounted to:

	Interest income 2021 to 2022 £	Interest income 2020 to 2021 £
West Stow Anglo-Saxon Village Trust	14	**16**
94th Bomb Group Memorial Association	28	**54**
Totals	**42**	**70**

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 36 External audit costs

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

	2021 to 2022 £000	2020 to 2021 £000
Fees payable to Ernst & Young LLP with regard to external audit services carried out by the appointed auditor for the year	68	94
Fees payable for the certification of grant claims and returns for the year	25	25
Total External Audit Costs	**93**	**119**

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.

	2021 to 2022			2020 to 2021		
	Council Tax £000	NNDR £000	Total £000	Council Tax £000	NNDR £000	Total £000
Income receivable						
Council Tax receivable	(109,359)	0	**(109,359)**	(103,386)	0	**(103,386)**
National Non-Domestic Rates receivable	0	(57,701)	**(57,701)**	0	(36,638)	**(36,638)**
Transitional protection (receivable) or payable	0	334	**334**	0	403	**403**
	(109,359)	**(57,367)**	**(166,726)**	**(103,386)**	**(36,235)**	**(139,621)**
Repayment of previous years surplus or (deficit)						
West Suffolk Council	(40)	(15,920)	**(15,960)**	222	704	**926**
Suffolk County Council	(212)	(3,980)	**(4,192)**	1,179	176	**1,355**
Office of the Police and Crime Commissioner for Suffolk	(35)	0	**(35)**	196	0	**196**
Central Government	0	(19,900)	**(19,900)**	0	360	**360**
	(287)	**(39,800)**	**(40,087)**	**1,597**	**1,240**	**2,837**
Precepts						
West Suffolk Council	14,436	29,152	**43,588**	14,289	28,852	**43,141**
Central Government	0	36,440	**36,440**	0	36,066	**36,066**
Suffolk County Council	77,319	7,288	**84,607**	75,428	7,213	**82,641**
Office of the Police and Crime Commissioner for Suffolk	13,154	0	**13,154**	12,504	0	**12,504**
	104,909	**72,880**	**177,789**	**102,221**	**72,131**	**174,352**
Charges to the Collection Fund						
Write-off of uncollectable amounts	520	190	**710**	197	137	**334**
Increase or (decrease) in bad debts provision	(1,074)	(2)	**(1,076)**	1,666	388	**2,054**
Increase or (decrease) in appeals provision	0	(3,060)	**(3,060)**	0	4,276	**4,276**
Cost of collection	0	245	**245**	0	245	**245**
Renewable energy income retained by council	0	581	**581**	0	505	**505**
Enterprize zone income retained by council	0	852	**852**	0	976	**976**
	(554)	**(1,194)**	**(1,748)**	**1,863**	**6,527**	**8,390**
(Surplus) or deficit for the year	**(5,291)**	**(25,481)**	**(30,772)**	**2,295**	**43,663**	**45,958**
Fund balance as at 1 April	**769**	**42,907**	**43,676**	**(1,526)**	**(756)**	**(2,282)**
(Surplus) or deficit carried forward	**(4,522)**	**17,426**	**12,904**	**769**	**42,907**	**43,676**

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	**9,949**	**4,792**
Band B	between £40,001 and £52,000	**24,367**	**16,248**
Band C	between £52,001 and £68,000	**13,933**	**11,399**
Band D	between £68,001 and £88,000	**9,763**	**9,205**
Band E	between £88,001 and £120,000	**5,793**	**6,766**
Band F	between £120,001 and £160,000	**2,577**	**3,576**
Band G	between £160,001 and £320,000	**1,890**	**3,039**
Band H	over £320,000	**162**	**315**
Council Tax base		**68,434**	**55,340**

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

The average total band D Council Tax for the year was £1,895.72

Note CF2 Business rates

NNDR (also known as 'business rates') are currently set on a national basis. The Government specifies amounts, 51.2p in 2021 to 2022 and 49.9p for small businesses in 2021 to 2022 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 2022 was £180,960,838.

Note CF3 Precepts and demands

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

	2021 to 2022 Precept/ Demand	Share of balance 31 March 2022	2021 to 2022 Total	2020 to 2021 Total
	£000	£000	£000	£000
Council Tax				
Suffolk County Council	77,319	(3,331)	**73,988**	**75,996**
Office of the Police and Crime Commissioner for Suffolk	13,154	(569)	**12,585**	**12,598**
West Suffolk Council	14,436	(622)	**13,814**	**14,396**
	104,909	**(4,522)**	**100,387**	**102,990**
NNDR				
Suffolk County Council	7,288	1,742	**9,030**	**11,503**
Central Government	36,440	8,717	**45,157**	**57,524**
West Suffolk Council	29,152	6,967	**36,119**	**46,011**
	72,880	**17,426**	**90,306**	**115,038**

Group accounts

Introduction

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

The council wholly owns Barley Homes Group Ltd, and as a subsidiary entity it has been consolidated on a line by line basis with all intra-group transactions and balances removed.
Note 29 Related Parties gives further details of Barley Homes Group Ltd, as well as disclosing the council's interest in other companies and entities.

The company's website can be accessed by following this link: Barley Homes Group Ltd

Group Comprehensive Income and Expenditure Statement

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.

Note

The prior year comparator figures below have been restated to reflect changes to the Council's management reporting structure which took effect from 1 April 2021. This is presentational only and does not change the overall Net Cost of Services.

	2021 to 2022			2020 to 2021 Restated		
	Gross expenditure	**Gross income**	**Net expenditure /(income)**	**Gross Expenditure**	**Gross Income**	**Net Expenditure /(Income)**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Resources and Property	44,992	41,828	**3,164**	51,797	44,093	**7,704**
Human Resources, Governance and Regulatory	7,595	4,525	**3,070**	7,024	3,709	**3,315**
Families and Communities	8,551	4,059	**4,492**	8,574	3,157	**5,417**
Planning and Growth	12,927	11,814	**1,113**	5,778	2,463	**3,315**
Operations	39,790	17,284	**22,506**	35,228	12,153	**23,075**
Chief Executive's Team	1,181	108	**1,073**	899	7	**892**
Cost of Services	**115,036**	**79,618**	**35,418**	**109,300**	**65,582**	**43,718**
Other operating expenditure	18,509	0	**18,509**	3,104	0	**3,104**
Financing and investment income and expenditure	2,275	310	**1,965**	2,086	374	**1,712**
Taxation and non-specific grant income	0	34,124	**(34,124)**	0	38,969	**(38,969)**
(Surplus) or deficit on provision of services	**135,820**	**114,052**	**21,768**	**114,490**	**104,925**	**9,565**
Tax expenses of subsidiaries			**129**			**0**
(Surplus) or deficit of Group			**21,897**			**9,565**
Surplus on revaluation of Property, Plant and Equipment assets			**(16,852)**			**(15,669)**
Actuarial (gains) or losses on pension assets and liabilities			**(33,526)**			**28,885**
Other comprehensive (income) or expenditure			**(50,378)**			**13,216**
Total comprehensive (income) or expenditure			**(28,481)**			**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.

Prior 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 31 March 2022	**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**

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

Group Balance Sheet

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

West Suffolk group balance sheet	**31 March 2022 £000**	**31 March 2021 £000**
Property, plant and equipment	266,878	265,197
Heritage assets	7,291	7,279
Intangible assets	149	149
Long-term investments	564	551
Long-term debtors	3,307	2,293
Long-term assets	**278,189**	**275,469**
Short-term investments	47,527	8,516
Assets held for sale	476	476
Inventories	4,652	6,196
Short-term debtors	18,263	31,141
Cash and cash equivalents	19,353	22,742
Current assets	**90,271**	**69,071**
Short-term borrowing	(2)	(2)
Short-term creditors	(60,406)	(50,127)
Short-term provisions	(4,628)	(5,851)
Short term grants received in advance	(4,030)	0
Current liabilities	**(69,066)**	**(55,980)**
Long-term provisions	(500)	(475)
Long-term borrowing	(14,000)	(4,000)
Long-term grants received in advance	(7,459)	(8,461)
Other Long-term liabilities	(63,465)	(90,135)
Long-term liabilities	**(85,424)**	**(103,071)**
Net assets	**213,970**	**185,489**
Usable reserves	(58,650)	(60,851)
Unusable reserves	(155,320)	(124,638)
Total reserves	**(213,970)**	**(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 2022 and its income and expenditure for the year ended 31 March 2022. These financial statements replace the unaudited financial statements certified by the S151 officer on 28 June 2022.

Signed: Rachael Mann Date: 28 July 2023

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.

	2021 to 2022 £000	2020 to 2021 £000
Net (surplus) or deficit on the provision of services (from the Comprehensive Income and Expenditure Statement)	21,897	9,565
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(54,020)	(47,474)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	6,537	7,630
Net cash flows from operating activities	**(25,586)**	**(30,279)**
Investing activities	39,058	8,956
Financing activities	(10,084)	17,484
Net (increase) or decrease in cash and cash equivalents	**3,388**	**(3,839)**
Cash and cash equivalents at the beginning of the reporting period	(22,742)	(18,904)
Cash and cash equivalents at the end of the reporting period	**(19,353)**	**(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:

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

Prior year - 2020 to 2021 Restated	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Resources and Property	7,669	0	35	7,704
Human Resources, Governance and	3,314	0	1	3,315
Families and Communities	5,413	0	4	5,417
Planning and Growth	3,297	65	(47)	3,315
Chief Executive's Team	885	0	7	892
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**

Note

The prior year comparator figures have been restated to reflect changes to the Council's management reporting structure which took effect from 1 April 2021. This is presentational only and does not change the overall Cost of Services.

Planning and Growth

The subsidiary figure for 2021 to 2022 includes property sales amounting to £9.3 million (no sales in 2020 to 2021).

Financing and investment income and expenditure

This includes £309,000 interest paid by Barley Homes Group Ltd during 2021 to 2022 (£217,000 in 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 2022 these loans amounted to £2,300,000 (£5,250,000 at 31 March 2021).

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.

Tax expenses of subsidiaries

Barley Homes Group Ltd was liable to corporation tax of £133,000 in 2021 to 2022 (nothing in 2020 to 2021).

Note G2 Reconciliation between Single Entity and Group Balance Sheets

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

Current year - 2021 to 2022	Council Single Entity £000	Subsidiary £000	Intra-group Transactions £000	Group Results £000
Long-term investments	1,164	0	(600)	564
Long-term assets	**278,789**	**0**	**(600)**	**278,189**
Inventories	250	4,402	0	4,652
Short-term debtors	20,355	167	(2,259)	18,263
Cash and cash equivalents	19,314	38	1	19,353
Current assets	**87,922**	**4,607**	**(2,258)**	**90,271**
Short-term borrowing	(2)	(2,300)	2,300	(2)
Short-term creditors	(59,484)	(880)	(42)	(60,406)
Current liabilities	**(68,144)**	**(3,180)**	**2,258**	**(69,066)**
Other long-term liabilities	(63,188)	(277)	0	(63,465)
Long-term liabilities	**(85,147)**	**(277)**	**0**	**(85,424)**
Net assets	**213,420**	**1,150**	**(600)**	**213,970**
Usable reserves	(58,100)	(1,150)	600	(58,650)
Total reserves	**(213,420)**	**(1,150)**	**600**	**(213,970)**

Prior year - 2020 to 2021	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 and usable reserves

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

Long-term debtors and long-term borrowing

As at 31 March 2022, the council had advanced loans amounting to £2,300,000 to the company (£5,250,000 as at 31 March 2021). 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 and short-term creditors

£42,000 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 (£311,000 for 2021 to 2022). 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:

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

Prior year - 2020 to 2021	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 or investing activities

During 2020 to 2021 the council advanced a loan to the company for the capital development of housing sites (including land purchase) of £3.3 million. The net loan movement during 2021 to 2022 was a reduction of £2.95 million. These transactions have been eliminated from the Group Results.

Investing activities or 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 2021 to 2022 financial year and its position at the year-end of 31 March 2022. 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 2021 to 2022, supported by International Financial Reporting Standards (IFRS).

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

Accruals of income and expenditure

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

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

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

Deferred income

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

Cash and cash equivalents

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

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

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

Termination benefits

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

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

Post-employment benefits

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

The Local Government Pension Scheme

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

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

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

- The assets of the Suffolk County Council pension fund attributable to the council are included in the Balance Sheet at their fair value:

    - quoted securities - current bid price
    - unquoted securities - professional estimate
    - unitised securities - current bid price
    - property - market value.

- The change in the net pensions' liability is analysed into seven components:

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

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

Discretionary benefits

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

Events after the reporting period

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

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

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

Financial instruments - financial liabilities

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

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

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

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

Financial instruments - financial assets

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

- Amortised Cost – Held in order to collect contractual cash flows
- Fair Value 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, for example through physical deterioration or breakages or where doubts arise as to their authenticity. Any impairment is recognised and measured in accordance with the council's general policies on impairment. The council does not normally purchase or dispose of significant heritage asset items. On rare occasions where items may be disposed of the proceeds of such items are accounted for in accordance with the council's general provisions relating to the disposal of property, plant and equipment.

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

Intangible assets

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

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

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

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

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

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

Interests in companies and other entities

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

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

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

Inventories

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

Investment properties

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

The council does not currently hold any investment properties

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 (for example repairs and maintenance) is charged directly to service revenue accounts.

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

Impairment

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

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

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

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

Disposals and non-current assets held for sale

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

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

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

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

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

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (freehold land and certain Community Assets) and assets that are not yet available for use (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 2021 to 2022

1. Scope of responsibility

1.1 This annual governance statement explains how West Suffolk 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.

1.2 This statement covers the period 1 April 2021 to 31 March 2022.

2. Wider events in 2021 to 2022

2.1 During 2021 to 2022, while the need to support the ongoing response to and recovery from the COVID-19 pandemic continued to be a key feature of activities, the council increasingly took a 'business as usual' approach. This is reflected throughout this annual governance statement.

3. The purpose of the code of corporate governance

3.1 The West Suffolk Local Code of Corporate Governance, 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'.

3.2 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.

3.3 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.

3.4 This annual governance statement sets out how the council complied with its code of corporate governance throughout the year 2021 to 2022.

4. The governance framework

4.1 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

4.2 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 • Modern Slavery Statement • Equality Scheme

Activity within principle A in 2021 to 2022	
• At the start of the COVID-19 pandemic in early 2020, the council enacted its business continuity plans across its services, which remained in place during 2021 to 2022. The council's response was led by a Strategic Direction Team, who assessed the impact on the district's wider communities and the council's ability to achieve its objectives, supported by a Tactical Management Team, who oversaw the council's operational response. • In January 2022, the Safeguarding Policy was updated by a decision of the Portfolio Holder for Families and Communities to formally extend safeguarding responsibilities to contractors. The update places the same safeguarding considerations expected of council staff on to external contractors. This required an update of the council's Procurement Policy, as well as a review of all contracts held by the council. • In July 2021, a review was undertaken to strengthen arrangements to prevent modern slavery, alongside updates to the Modern Slavery Statement. A full internal review highlighted recommended alterations, including: o changes to recruitment practices, to verify the practices of any new recruitment agencies o alterations to procurement practices, including incorporating references to employee and supplier responsibilities for modern slavery and contract management within the contract procedure rules o improvements in staff awareness and training, principally through a new e-learning course made available to all staff.	
Proposed activity for the coming year and areas for improvement	
• In December 2020, the LGA published a new Model Councillor Code of Conduct, which is supplemented by accompanying guidance. On 22 April 2022, the council adopted the new Model Code of Conduct with effect from its AGM in May 2022 and training was provided to councillors in April and May 2022.	
Principle B	**Ensuring openness and comprehensive stakeholder engagement**
Key elements of the council's governance framework	• Annual report • Environmental Statement • Reports and minutes available on the council's website • Consultation Statement • Equality Scheme • Use of complaints and feedback to aid learning for future service development.
Activity within principle B in 2021 to 2022	
• In light of the COVID-19 pandemic, the council reviewed the ways it makes services available to the public, as well as how it consults and engages with them. The council's offices were required to close to the public for part of 2021 to 2022, placing increased emphasis on telephone and internet contact. In June 2021, West Suffolk Council Cabinet agreed a set of recommendations to change the public access offer across the council in	

light of changes in demand associated with the pandemic. This involved moving to appointment-only face-to-face contact in our buildings. Over the last two years, there has been an increased emphasis on the council's digital public access offer – ensuring that customers have an online option to conduct business with the council. This approach will continue to be monitored.

- Throughout the year, the council undertook public consultation on a number of issues. This included:

    - Animal Welfare Licensing Policy – a stakeholder survey on proposed changes to the Animal Welfare Licensing Policy, focusing on businesses and licence holders

    - Gambling Licensing Statement – a stakeholder survey on the statutory review and update of the Gambling Licensing Statement, including updates to the Local Area Plan, inviting views from residents, licensed premises, the police and other interested parties

    - Taxi Policy Review – a wide public consultation on substantial changes to taxi policy in West Suffolk, including alterations to wheelchair accessible vehicle (WAV) requirements, merging the two taxi zones and increasing the maximum age of vehicle requirement.

    - Newmarket Cumulative Impact Assessment – a stakeholder survey focused on Newmarket regarding the renewal of the cumulative impact area for alcohol and entertainment licensing in Newmarket town centre.

    - West Suffolk Markets Review – a series of stakeholder surveys directed at key groups, including businesses, shoppers, young people and parish and town councils, to gather evidence for the Overview and Scrutiny Review of West Suffolk's markets.

- Between February and June 2021, the council undertook a councillor-led review of the council website. A key driver of the review was a recognition that more people were accessing services online, in line with the council's channel shift agenda, and a desire to ensure that work to continually improve the site was supporting this change in behaviour.

- During 2021 to 2022, the council sought to make greater use of social media in engaging residents. The council also changed how key messages are circulated to the public – for instance, from December 2021 to January 2022, the council used online methods (almost exclusively) to notify the public of changes to bin collections over the holiday period. This approach was more environmentally friendly and cheaper than 'traditional' methods.

- As well as targeted communication and engagement on specific issues, the council engaged with numerous external partners and community stakeholders to further local initiatives that improve services for local residents.

Proposed activity for the coming year and areas for improvement

- The council is undertaking a project to update its audio-visual kit, with a view to purchasing the correct equipment to enable a wider range of meeting formats.

• We will continue to consult and engage with stakeholders and members of the public through targeted consultations and more open forms of engagement and co-design.	
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 Plan • Risk Management Policy and toolkit • Investment Framework • Suffolk Recovery Plan
Activity within principle C in 2021 to 2022	
• The council continued to progress work towards its local plan. The Issues and Options consultation was undertaken during the autumn of 2020 and in March 2021, a Local Plan Working Group of councillors was established to support the detailed work required to develop the emerging plan documents. The Local Plan Working Group has reviewed each stage of the local plan's development, looking at and endorsing the strategic objectives, draft local policy parameters and proposed site allocations prior to presentation to meetings of cabinet and council. • Cabinet reviewed progress against the Environment and Climate Change Action Plan during the year, and also considered and approved the Environmental Statement for the council's 2021 to 2022 performance.	
Proposed activity for the coming year and areas for improvement	
• The council will continue to work on developing its local plan and has a programme in place with adoption planned for 2024. • In 2022 to 2023, cabinet will be considering the outcome of the Markets Review and a plan for the implementation of the recommendations.	
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 • Performance information • Project management framework • Procurement Policy • Medium Term Financial Strategy • Business partner model • Business case model • Partnership working across the public and voluntary sectors in Suffolk • West Suffolk 2025 – transformation programme
Activity within principle D in 2021 to 2022	
• As part of its plans for continuous service change and improvement, the council carried out a number of service reviews, including temporary	

accommodation, waste services and the property helpdesk. This will be developed over the next two years.

- During 2021 to 2022, further rounds of business grants were introduced by Government (Restart, Omicron Hospitality and Leisure and Additional Restrictions Grant), which required rapid redeployment of teams to support their development and delivery.

- As the national response to COVID-19 has changed, so the council has been required to adapt its intervention approach. These changes affected both policies and operational arrangements, and have included:

  - assessing how council services, such as the operations and elections teams, could operate safely within the pandemic. For example, the Government announced in late 2020 that delayed Police and Crime Commissioner and County Council elections would take place simultaneously. The council took on the huge challenge of delivering an unprecedented number of combinations of elections and referenda across West Suffolk on 6 May 2021, while ensuring that safety measures – including social distancing and increased hygiene - were adhered to and enforced district-wide.

  - making changes to policy approaches in certain areas. For example, the suspension of garden waste services, events, car park charging, and debt management were lifted from June 2021. The Apex and Athenaeum re-opened in early summer in line with the lifting of COVID-19 restriction of performance venues and catering and hospitality.

  - 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.

- The Procurement Policy was updated in March 2022. Key updates included the inclusion of safeguarding updates, to reflect the updates to the Safeguarding Policy; as well as a greater emphasis on green procurement – ensuring that the green credentials of a potential contractor (be it the offsetting of carbon emissions or biodiversity) are considered during the tender process – constituting between 5-10 per cent of the tender.

- From 1 November 2021, the council adopted a shared governance service with Babergh and Mid-Suffolk District Councils. This has brought greater resilience and flexibility to this service area as well as financial savings.

- In 2021 to 2022, the council worked to embed the new system for Disabled Facilities Grants (DFG), which was developed and implemented in 2020 to 2021. Working with Suffolk partners under Independent Living in Suffolk (ILS), the council delivered essential grants for many households in 2021 to 2022. The key changes to policy that have allowed the authority to fast-track DFGs has resulted in a positive difference of making as many homes as possible safe and suitable to live in, therefore protecting the wider health system.

- The Target Operating Model continued to drive channel shift around the strategic outcomes set out in the Customer Access Strategy, 2019 to 2022. During 2021 to 2022, service areas continued to improve processes and activities in line with the council's priority to put customers at the heart of our work. Examples include a review of grass cutting communications, supporting a councillor review of the council website and working with partners on ever-changing requirements to support vulnerable people throughout the pandemic. Ongoing work to review and refresh the strategy will consider the opportunities associated with manager structure changes, which have brought customer and digital services together into a single team.

- The council's wholly owned development company, Barley Homes, continued to develop properties in the district. For example, development was concluded in November 2021 on West Mill Place, a 37-home development in Haverhill, with 30 per cent affordable housing. This example was approved by the shareholder advisory group, formed of council members and senior officers.

- West Suffolk Council undertook an interim review (Community Governance Review) of parish and town boundaries to resolve anomalies in the Bury St Edmunds, Haverhill and Newmarket parish areas where the current warding arrangements could be improved. This is so that, where possible, they are coterminous with the current district ward and new county division boundaries. This work will ensure that local governance arrangements within the West Suffolk area are reflective of the identity and interest of local communities and that they are as efficient and effective as they can be. The review also considered any minor anomalies that were put forward by parish and town councils and other stakeholders with an interest in community governance. The review began in September 2021 and concluded in September 2022 – with new arrangements due to come into force in May 2023. The first stage of engagement involved engaging with all parish and town councils, and other stakeholders with an interest in community governance, in order to gauge opinion and form recommendations.

- Design and implementation of discretionary business grants or relief schemes – Additional Restrictions Grant (ARG) (Restart); ARG (Omicron); COVID Additional Relief Fund.

- Design and preparation of the discretionary energy rebate scheme.

Proposed activity for the coming year and areas for improvement

- The proposed activity for the refresh of the Customer Access Strategy will build on the foundations of the previous strategy given the success of the approach to date. Through this strategy, the council will work to deliver the Target Operating Model across services, delivering financial savings alongside the wider benefits for customers in order to support achievement of a balanced budget for 2022 to 2023, under the wider umbrella of the West Suffolk 2025 transformation programme.

- The Community Governance Review will continue into 2022 to 2023. The public consultation on draft recommendations began in April 2022 and West Suffolk Council will consider final recommendations at its council meeting in September 2022. A re-organisation order will be made to implement any changes with the order taking effect for administrative and financial reasons

on 1 April. Changes to electoral arrangements will come into force at the parish and town council elections in May 2023.	
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 • Remote Working Charter • Agile working guidance
Activity within principle E in 2021 to 2022	

- The council reappraised 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:

  - regular 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 for teams
  - support groups for parents and those working at home alone
  - support group with regards to the new norm around COVID
  - virtual physiotherapy sessions
  - the council's second awards scheme.

- During the year Licensing and Regulatory Committee members were invited to development sessions covering a range of topics relating to licensing, while Development Control Committee members were invited to attend a briefing session on the code of conduct. Any newly elected members of these committees received training before sitting on the committee. In addition, all members were invited to attend a development session on the council's finances. The council is also continuing to work with partners across the eastern region to explore opportunities to work more collaboratively on member development.

- In September 2021, the council introduced 'Take Time to learn', a programme aimed at embedding a learning culture by collectively developing staff to build an energised and flexible workforce. This programme requires a commitment of a minimum of one hour each month to learn new skills, update current ones and share knowledge and experience with others in a format that suits an individual’s role and learning style. This has become part of the regular Performance and Development Review process. It was mandatory that staff complete at least one pathway before April 2022. At the same time, a ‘Leading Together’ programme for managers was launched – also on the intranet. Managers have also been required to complete a management essentials pathway as well as attending three workshops. A new managers peer network was established in November 2021 for Team Leader level officers, which meets every six weeks.

- The council’s agile working approach was updated and refined in June 2021 to establish a clear yet flexible ongoing approach to remote working and work culture following the pandemic. This was complemented further with the announcement in January 2022 that the UK would return to ’Plan A’. The council worked to ensure that the redesign of the office was complete in time for the formal ‘return to the office’ in April 2022, with a continuing culture of agile working remaining in place.

Proposed activity for the coming year and areas for improvement

- Following on from our interim People Plan in 2021, a new Workforce Strategy was developed for 2022-2028 and presented to Cabinet in summer 2022.

- There is on-going work to support the new structures and longer-term transformation programme.

- In 2022, as part of our on-going engagement work with the workforce, a full staff survey was undertaken, alongside a further pulse survey on agile working, exploring in more detail how the new ways of working are being embedded.

- The new learning management system was launched in June 2022. This helps facilitate new and additional learning opportunities for officers. However, its main benefit is that it constitutes a single platform, rather than several, making it more accessible and possible for all council staff to access – presently, certain operational staff do not undertake e-learning courses.

Principle F	**Managing risks and performance through robust internal control and strong public financial management**
Key elements of the council’s governance framework	• Leadership Team • Cabinet • Financial procedure rules • Contract procedure rules • Treasury management strategy and growth investment strategy • Budget monitoring • Performance and Audit Scrutiny Committee • Strategic risk register • Investment framework • Risk management toolkit • Performance reports • Internal audit • Business continuity plan • Complaints

Activity within principle F in 2021 to 2022
• The impact of the COVID-19 pandemic, uncertainty over the local government finance settlement, the lack of flexibility over planning fees and the impact of the US Visiting Forces population have had an ongoing 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 evolved, and how this will impact upon the council's budget. During 2021 to 2022, the council continued to undertake: o Fortnightly briefings to Cabinet members and the officer Leadership Team, and monthly updates to the officer Senior Management Team o Regular monitoring reports through the Performance and Audit Scrutiny Committee and additional reports to the cabinet o All-member briefings o Joint discussions with Suffolk partners to understand the cross-county impact, contributing to lobbying for further financial support. • An internal review of the key performance indicators was carried out with a new suite of measures introduced from the fourth quarter of 2021 to 2022. This includes improved presentation of data. • Contract procedure rules were revised, with a new set of thresholds included that ensures that procurement is carried out with a view to saving money, alongside sustainable procurement and preventing modern slavery. • A self-assessment was undertaken against the Chartered Institute of Public Finance and Accountancy's (CIPFA) Financial Management Code (the Code) which provides guidance for good and sustainable financial management in local authorities. This self-assessment concluded that the council complied with the guidance standards contained within the code.
Proposed activity for the coming year and areas for improvement
• The COVID-19 pandemic and other wider changes and challenges are 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. • Implementation and refinement of a refreshed set of key performance indicators. • Key areas of focus to progress to build upon the council's existing compliance with the CIPFA Financial Management Code have been identified as: o Consideration of an external view on its financial style, for example through a process of peer review o The continued engagement with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget

<table>
<tr><td colspan="2">

- ○ Monitoring of the impact of Government changes to local government funding to assess the impact on the council's prospects for financial sustainability in the longer term

</td></tr>
<tr><td>Principle G</td><td>Implementing good practices in transparency, reporting and audit to deliver effective accountability</td></tr>
<tr><td>Key elements of the council's governance framework</td><td>

- Council website
- Public report template
- 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

</td></tr>
<tr><td colspan="2">Activity within principle G in 2021 to 2022</td></tr>
<tr><td colspan="2">

- A dedicated performance webpage on the council website – West Suffolk Council – How we are doing

</td></tr>
<tr><td colspan="2">Proposed activity for the coming year and areas for improvement</td></tr>
<tr><td colspan="2">

- A programme of health checks within services to evaluate compliance with the Data Protection Act, two years after its introduction, with improvements implemented where required.
- Setting up of a dedicated information governance webpage.
- Refresh of information security incident reporting, including a new online form to capture all incidents in one place for consistency of response management and performance reporting.
- Publication of a Data Protection Impact Assessment Register on the public facing Open Data and Transparency page in response to the updated Transparency Code 2015.

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5. Review of effectiveness

5.1 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.

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

5.3 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.

5.4 Based upon the audit work undertaken during the financial year 2021 to 2022, 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.

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

5.6 The review of the effectiveness of the governance framework for 2021 to 2022 concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

6. Significant governance issues

6.1 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.

6.2 As is embedded throughout this document, the measures necessary to support the COVID-19 pandemic, as well as the consequences of the pandemic itself and the other challenges outlined in Principle F 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.

6.3 There are no other significant governance issues to disclose.

7. 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

John Griffiths
Leader of the Council

Date: 26 April 2023

Signed:

Ian Gallin

Ian Gallin
Chief Executive

Date: 26 April 2023

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

Building a better working world

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

Opinion

We have audited the financial statements of West Suffolk Council ('the Authority') and its subsidiaries (the 'Group') for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the Authority and Group Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, the related notes 1 to 36 to the Authority Accounts, including the Expenditure and Funding Analysis to the Authority Accounts, the related notes G1 to G3 to the Group Accounts, the 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Authority and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer'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 Group and 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 and the Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the '*Statement of Accounts 2021 to 2022*', 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 2021 to 2022*'.

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

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

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Authority
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and
- Accountability Act 2014 (as amended)
- we are not satisfied that the Group and the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the '*Statement of Responsibilities for the Statement of Accounts*' set out on pages 17-18, 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Group and 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 Group and the Authority either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the 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 Group and the Authority 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 Group and the Authority's committee minutes, through enquiry of employees to confirm Group and the Authority policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Group and the Authority's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified 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 Group and Authority'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 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the 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 the West Suffolk Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

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

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

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

Delay in certification of completion of the audit

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

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

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

Use of our report

This report is made solely to the members of West Suffolk Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and 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: 28th *July 2023*

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 (for example its assets) and the probable payments due out of the fund (its liabilities). The net asset or liability of the fund pertaining to the council is consequently reflected in its Balance Sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A floor 'damping block' in order to give every local authority a minimum grant increase. Grant increases to other councils in the same class are scaled back to pay to bring all local authorities up to the appropriate floor increase.

Governance
The arrangements in place to ensure that an organisation fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an economical, effective, efficient and ethical manner.

Grants and contributions
Assistance in the form of transfers of resources to an authority in return for past or future compliance with certain conditions relating to the operation of activities.

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

International Accounting Standard (IAS)
Accounting standards developed by the International Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Code of Practice except where the standards conflict with specific statutory requirements.

International Financial Reporting Standards (IFRS)
Financial reporting standards developed by the International Accounting Standards Board.

Joint Arrangement that is not an entity (JANE)
A contractual arrangement under which the participants engage in joint activities that do not create an entity, because it would not be delivering a service or carrying on a trade or business of its own.

Joint venture
An entity in which the reporting authority has an interest on a long-term basis and is jointly controlled by the reporting authority and one or more other entities under a contractual or other bidding arrangement.

Local Authority Scotland Accounts Advisory Committee (LASAAC)
The principal accounting body dealing with Local Government finance in Scotland.

Liability
An obligation of an entity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

Long term borrowing
Loans that have been raised to finance capital spending which have still to be repaid.

Materiality
The threshold or level that determines whether or not an item is relevant to the financial statements presenting a true and fair view. An item of information is material to the financial statements of an entity if its misstatement or omission might reasonably be expected to influence the economic decisions of users of the statements.

New Homes Bonus
Funding for councils which was introduced from April 2011 which was designed to be an incentive to promote Housing growth. The government will match fund the additional Council Tax raised for new homes and properties brought back into use, with an additional amount included for affordable homes.

Non-current assets
Assets that yield benefits to the council for a period of more than one year.

Pensions - Retirement benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement Benefits do not include termination benefits payable as a result of:

a. An employer's decision to terminate an employee's employment before the normal retirement date; or
b. An employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Pensions - Scheme liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Revenue expenditure and income
Expenditure and income arising from the day to day operations of the council.

Revenue Support Grant
A grant received from the government to support the day to day running costs of the council. In conjunction with the council's share of retained Business Rates it is also known as formula grant.

Section 106 contributions
Section 106 of the Planning Act 1990 allows a local planning authority to secure an obligation from any person interested in land, with the purpose of (amongst other things) 'requiring a sum or sums to be paid to the authority on a specified date or dates or periodically'. The purpose of these sums is generally to enable the council to mitigate the impact of any developments on the locality, typically on items such as infrastructure and open spaces.

All financial contributions secured by a section 106 agreement are ring fenced, and they are normally to be used within a specific timescale, failing which the developer may be entitled to repayment with interest, depending upon the terms of the particular agreement.

Section 151 Officer
Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 officer also has a number of statutory powers in order to allow this role to be carried out, such as the right to

insist that the local authority makes sufficient financial provision for the cost of internal audit.

Senior officer
A senior officer (England and Wales) is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 (England); £60,000 (Wales) per year (to be calculated pro rata for a part-time employee) and who is:

a. the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989

b. the head of staff for a relevant body which does not have a designated head of paid service or

c) any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

SOLACE (Society of Local Authority Chief Executives)
The representative body for senior strategic managers working in local government, in particular Chief Executives.

Termination benefits
Employee benefits payable as a result of either:

a. an entity's decision to terminate employment before the normal employment date, or

an employee's decision to accept voluntary redundancy in exchange for those benefits.

More information

Further information concerning any matter relating to the council can be obtained from the following sources:

Customer Services: 01284 763233

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

Mildenhall Office
Mildenhall Hub, Sheldrick Way, Mildenhall, Suffolk IP28 7JX

Haverhill Office
Haverhill House, Lower Downs Slade, Haverhill, Suffolk CB9 9EE