



Cabinet

11 February 2009

Report from the Performance and Audit Scrutiny Committee: 26 January 2009

1. Audit Commission: Presentation on Comprehensive Area Assessment

- 1.1 Members will be aware of the forthcoming change from Comprehensive Performance Assessment (CPA) to Comprehensive Area Assessment (CAA), the new method by which the Council's performance will be judged from April 2009. The Committee received a presentation from representatives of the Audit Commission regarding how these changes will affect the Council and its partners, and the role of Members in the change.
- 1.2 All Members of the Council had been invited to attend the presentation, and the Committee was very pleased with the turn-out, which included four Cabinet members.
- 1.3 The Committee concluded that the new inspection regime would certainly be more in-depth, with the main focus being on how partnerships, in particular the Local Strategic Partnership (LSP), are delivering real improvements for the public. There was some concern raised that this could be burdensome on the Borough, capacity wise, and the Audit Commission representatives replied that, whilst it would be a more rigorous inspection than CPA, CPA had resulted in improvements and benefits for local people, and CAA should build even further on those positive outcomes.

2. Key Performance Indicators (KPI): Third Quarter 2008/2009

- 2.1 The Committee considered the third quarterly KPI report for 2008/2009, covering the period October to December 2008, using the new set of former Best Value Performance Indicators (BVPIs), new National Indicators and local indicators selected by the Committee at the start of 2008/2009. A number of the indicators were discussed, including number of working days lost to sickness, major planning applications determined within 13 weeks, income generated from room hire in public halls and car parking income. When discussing the time taken to process benefit claims, Members asked whether, as the annual Christmas closure affected these figures, the closure should continue to take place. The Committee was advised that a full review of opening hours across the Council would take place following the move to West Suffolk House.

3. Treasury Management Presentation

- 3.1 Following a request from Members for an overview of how the Council's treasury management function works on a day to day basis, the Committee received a presentation covering how the Council's cash flow is managed, how its money is invested, and an overview of the current investments of the Council. Members were advised that the aim was to maximise the financial return on investments, whilst at the same time managing risk to ensure the security of Council funds. For this reason the majority of the Council's investments were for a fixed period of time, at a fixed interest rate.
- 3.2 The current world economic situation made this a difficult time for treasury management, and whilst the Council had benefited from higher than expected interest rates in the past, the current low interest rates would have a substantial impact on expected returns on investments for 2009/2010. Members asked questions on a number of areas, including average rates of return and the use of brokers.

4. Budget Monitoring Report: 1 April to 31 December 2008

- 4.1 The Committee received the quarterly budget monitoring report which provided an overall summary of the position of the current year's budget as at 31 December 2008. Budget variances over £10,000 were explained in the report, and the overall revenue underspend to date was £1,249,000. The likely year end turn-out was currently forecast as being approximately £800,000, which was within 1% of the full budget, the majority of which was due to increased income on investments.
- 4.2 The Capital Budget Monitoring Report again showed a substantial underspend, due to a number of factors including delays in major projects. The Committee noted, however, that the capital expenditure budgets were not profiled, and many of the schemes included in the programme were not due to commence until later in the financial year.
- 4.3 The capital disposals programme had also not achieved the expected capital receipts, mainly due to the current economic climate. Members were advised that there was no certainty that the full year disposals target would be achieved, and also that a number of major house builders were cutting back on land purchases, which would also affect the disposals programme.
- 4.4 As one of the adverse impacts on the Council's revenue budget was currently court costs from pursuing unpaid/overpaid Housing Benefit and Council Tax, and write-offs, Members asked whether, as the Council was actually collecting the majority of Council Tax for other authorities, these costs could be reimbursed by the authorities concerned. The Chief Finance Officer will look into this, although another Member noted that the Council did benefit from the interest earned on collected Council Tax prior to it being paid over to those other authorities.

5. Corporate Risk Register: Quarterly Monitoring Report

- 5.1 The third quarterly Risk Register monitoring report for 2008/2009 was considered by the Committee. Significant changes since the last report included the introduction of a risk for the economic downturn and its effect upon the local community, as well as its effects on other existing risks, such as income lower than expected. Additionally, a new risk had been added concerning climate change and the actions the Council would be taking in response to accommodate it. One risk, 'unsustainable workload', had been increased to a high residual risk.
- 5.2 The Committee asked for clarification on some of the risks in this quarter's report, including the refurbishment of the Bury St Edmunds Leisure Centre, commitment to rural areas and provision of affordable housing.

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