

Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title:	Agenda									
Date:	Thursday 30 July 2015									
Time:	5.00pm									
Venue:	Council Chamber District Offices College Heath Road Mildenhall									
Full Members:	<p style="text-align: center;">Chairman Colin Noble</p> <p style="text-align: center;">Vice Chairman Louis Busuttill</p> <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top;"><u>Conservative Members (8)</u></td> <td style="vertical-align: top;">David Bimson Ruth Bowman Louis Busuttill Brian Harvey</td> <td style="vertical-align: top;">Louise Marston Christine Mason Colin Noble Lance Stanbury</td> </tr> <tr> <td style="vertical-align: top;"><u>West Suffolk Independent (1)</u></td> <td style="vertical-align: top;">Andrew Appleby</td> <td></td> </tr> <tr> <td style="vertical-align: top;"><u>UKIP (1)</u></td> <td style="vertical-align: top;">Peter Ridgwell</td> <td></td> </tr> </table>	<u>Conservative Members (8)</u>	David Bimson Ruth Bowman Louis Busuttill Brian Harvey	Louise Marston Christine Mason Colin Noble Lance Stanbury	<u>West Suffolk Independent (1)</u>	Andrew Appleby		<u>UKIP (1)</u>	Peter Ridgwell	
<u>Conservative Members (8)</u>	David Bimson Ruth Bowman Louis Busuttill Brian Harvey	Louise Marston Christine Mason Colin Noble Lance Stanbury								
<u>West Suffolk Independent (1)</u>	Andrew Appleby									
<u>UKIP (1)</u>	Peter Ridgwell									
Substitutes:	Named substitutes are not appointed									
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.									
Quorum:	Three Members									
Committee administrator:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk									

5.00pm	Informal discussions with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee on the four substantive items listed below under Items 5 to 8 inclusive, to be held in the <u>Council Chamber.</u>
5.30pm	The formal meeting of the Performance and Audit Scrutiny Committee will commence at 5.30pm or immediately following the conclusion of the informal discussions, whichever is the later, in the <u>Council Chamber.</u>

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee have been invited to attend the meeting to enable informal discussions on the reports listed in Items 5 to 8 inclusive below to take place between the two authorities:

COUNCILLORS

Conservative Members (8)	Sarah Broughton Betty McLatchy Paula Wade	Carol Bull Karen Richardson Patsy Warby	Beccy Hopfensperger Peter Thompson
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Charter Member (1) David Nettleton

UKIP Member (1) Barry Robbins

SUBSTITUTES

Conservative Members (3)	Jeremy Farthing	David Roach	Ivor McLatchy
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Charter Member (1) Diane Hind

UKIP Member (1) John Burns

On the conclusion of the informal joint discussions, Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee will withdraw from the Council Chamber to the Training Room to hold their meeting and Forest Heath's Performance and Audit Scrutiny Committee will continue as follows:

Agenda

Procedural Matters

Page No

Part 1(A) - Public

- 1. Apologies for Absence**
- 2. Substitutes**
- 3. Minutes** **1 - 10**

To confirm the minutes of the meeting held on 4 June 2015 (copy attached).
- 4. Public Participation**

Members of the public who live or work in the District are invited to put one question/statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

A person who wishes to speak must register at least 15 minutes before the time of the meeting is scheduled to start.

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

(Following the informal discussions held with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee on Items 5 to 8 below, Members are reminded that no further debate shall take place. However, Members are requested to either formally note/resolve Items 5 to 8 below).
- 5. Balanced Scorecard and Quarter One Performance Report 2015-16** **11 - 32**

Report No: **PAS/FH/15/016**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/017)
- 6. West Suffolk Risk Management Approach and Principles** **33 - 42**

Report No: **PAS/FH/15/017**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/018)
- 7. West Suffolk Strategic Risk Register Quarterly Monitoring Report - June 2015** **43 - 56**

Report No: **PAS/FH/15/018**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/019)

- 8. Work Programme Update** **57 - 62**
Report No: **PAS/FH/15/019**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/020)

Part 1(B) – Public

- 9. Financial Performance Report (Revenue and Capital) Quarter One (April - June 2015)** **63 - 84**
Report No: **PAS/FH/15/020**
- 10. Annual Treasury Management Report 2014-2015** **85 - 106**
Report No: **PAS/FH/15/021**

Informal Joint Performance and Audit Scrutiny Committee



**Notes of Informal Discussions held on Thursday 4 June 2015 at
5.00 pm in the Conference Chamber West, West Suffolk House,
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Carol Bull, Beccy Hopfensperger, David Nettleton, Barry Robbins, Peter Thompson and Patricia Warby.

Also in attendance: Councillors Susan Glossop and David Roach.

Forest Heath District Council (FHDC)

Councillor Colin Noble
(Chairman of the informal discussions)

Councillors Andrew Appleby, David Bimson, Ruth Bowman, Louis Busuttil, Louise Marston, Christine Mason, Peter Ridgwell and Lance Stanbury.

IN ATTENDANCE: SEBC – Councillor Ian Houlder, Portfolio Holder for Resources and Performance
FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources and Performance

Prior to the formal meeting, at 5.00 pm informal discussions took place on the following seven items:

- (1) Internal Audit Annual Report (2014-2015) and Outline Internal Audit Plan (2015-2016);
- (2) West Suffolk Annual Governance Statement (2013-2014) Action Plan Update
- (3) Key Performance Indicators and Quarter 4 Performance Report 2014-15;
- (4) Performance Management Report 2015-2016;
- (5) West Suffolk Strategic Risk Register Quarterly Report – March 2015;
- (6) Biannual Corporate Complaints and Compliments Digest; and
- (7) Work Programme Update

All Members of Forest Heath District Council's Performance and Audit Scrutiny Committee had been invited to attend West Suffolk House, Bury St Edmunds to enable joint informal discussions on the above reports to take place between the two authorities.

The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House, Bury St Edmunds and advised on the format of the proceedings for the informal joint discussions and subsequent separate meetings of each authority, prior to handing over to the Chairman of Forest Heath's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees on items 1 – 7 above. On this occasion however, there were no questions/statements from members of the public.

Each report was then considered in the order listed on each authorities agenda.

1. **Internal Audit Annual Report (2014-2015) and Outline Internal Audit Plan (2015-2016)**

The Service Manager (Internal Audit) presented the report as required by the Public Sector Internal Audit Standards, which included an opinion on the overall adequacy and effectiveness of the Council's governance arrangements, including the internal control environment.

The report summarised the work undertaken by Internal Audit during the year (Appendix A) and provided details of the Outline Internal Audit Plan for 2015-2016 (Appendix C). The report also showed progress made during the year in developing and maintaining an anti-fraud and anti-corruption culture and publicised actions taken where fraud or misconduct had been identified (Appendix D). Finally, the report also showed the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit (Appendix B).

The Service Manager (Internal Audit) drew relevant issues to Members' attention.

Members scrutinised the report and asked questions to which the Service Manager (Internal Audit) duly responded. In particular discussions were held on the Car Parks Cash Handling Review. Officers agreed to provide a written response on how much was paid by cash versus RingGo (cashless phone parking service).

2. **West Suffolk Annual Governance Statement (2013-2014) Action Plan Update**

The Service Manager (Internal Audit) presented the report, which advised Members of the action taken on the Annual Governance Statement Action Plan 2013-2014 (Appendix A).

Members scrutinised the report and asked questions to which officers duly responded.

3. **Key Performance Indicators and Quarter 4 Performance Report 2014-2015**

The Business Partner (Resources and Performance) presented the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the fourth quarter indicators covering January to March 2015 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.

Appendix A contained all the KPIs for both Councils and West Suffolk. The current quarter four performance summary for Forest Heath showed that of 25 indicators, 7 were green, 7 were amber, 1 was red and 10 were data only indicators. For St Edmundsbury, the current quarter four summary showed that of a total of 25 indicators, 10 were green, 3 were amber, 2 were red and 10 were data only indicators. For West Suffolk there were a total of 21 indicators, of which 8 were green, 4 were amber, 2 were red and 7 were data only indicators.

Members scrutinised a number of indicators, with particular emphasis on those showing red under the traffic light system, and asked questions to which officers duly responded. In particular discussions were held on:

- (1) **WS/HOU009** – Private sector tenancies made available through West Suffolk Lettings Partnership. Members questioned what was being done to promote the scheme and suggested that a future report on the future of the West Suffolk Lettings Partnership be included in its forward work programme.
- (2) **WS/COR005** – Percentage of non-disputed invoices paid within 30 days of receipt. This KPI was currently being reviewed and officers were looking at getting a better understanding of the calculation and the recording process of invoices.

4. **Performance Management Report 2015-2016**

The Head of Resources and Performance presented the report, which set out the Councils approach to performance management in 2015-2016 through the use of a recognised performance management tool, the Balanced Scorecard. The report included information on the benefits of effective performance management; proposals for performance management arrangements; the proposed performance management tool for 2015-2016; progress made to date, next steps and timescales.

It was envisaged the Balanced Scorecard report would replace a number of existing reports that currently went to the Performance and Audit Scrutiny Committee, such as the quarterly Key Performance Indicators; quarterly Strategic Risk Register Report and the Bi-annual Corporate Complaints and Compliments Report.

Members scrutinised the report in detail and asked a number questions to which officers duly responded.

Members welcomed the move to the proposed balanced scorecard but also had some reservations as the Committee still needed to be able to drill down into the detailed information. Members suggested that they would like to see both performance systems running in parallel over the next few months and that the coloured rating system be included in the proposed balanced scorecard format.

5. **West Suffolk Strategic Risk Register Quarterly Report – March 2015**

The Service Manager (Finance and Performance) presented the fourth quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in April 2015 the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Since the last assessment report presented to the Committee on 29 January 2015, there had been one new risk identified relating to the closure of RAF Mildenhall and one risk had been closed (WS9) following the review and adoption of the revised Constitution by both Forest Heath District Council and St Edmundsbury Borough Council. Some individual controls and actions had been updated and those which were not ongoing and had been completed by March 2015 had been removed from the Register.

Members scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on:

- (WS12) - Loss of a key employer. Members questioned how the Council engaged with the top 100 employers in the area. Members requested a written response on the types of engagement undertaken with employers.
- (WS21) – Safeguarding Children. Members questioned what else the Council could do in mitigating the risk even further. Members suggested that reference should be made to the Multi Agency Safeguarding Hub (MASH) as a preventative action.

6. **Biannual Corporate Complaints and Compliments Digest**

The Head of Families and Communities presented the report which provided an overview of the quantity and range of corporate complaints and compliments received during October 2014 to March 2015, which the Committee used to monitor the Council's effectiveness at responding to and learning from any mistakes which had been made. The report included information relating to Forest Heath District Council and St Edmundsbury Borough Council working together across West Suffolk, with data provided for the individual councils as appropriate.

For the second half of the financial year, across both councils 27 corporate complaints and 49 compliments had been received, and data for the individual councils was provided. The report provided a breakdown of the corporate complaints, including outcomes and lessons learned and also highlighted the compliments that had been received across the authority during the reporting period and outlined the Service or individual who received them.

Members considered the report and asked questions to which responses were duly provided.

7. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015. Subject to earlier discussions it was agreed that the Balanced Scorecard and a future report on the future of the West Suffolk Lettings Partnership would be included in its forward work programme.

On the conclusion of the informal joint discussions at 6.10 pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the Forest Heath District Council's Performance and Audit Scrutiny Committee in Conference Chamber East at 6.15 pm.

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 4 June 2015** at **6.15 pm** at the **Conference Chamber East, West Suffolk House**, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

Chairman Colin Noble
Vice Chairman Louis Busuttil

Andrew Appleby	Peter Ridgwell
David Bimson	Lance Stanbury
Louise Marston	

By Invitation:

Stephen Edwards, Portfolio Holder for Resources and Performance

28. **Apologies for Absence**

Apologies for absence were received from Councillors Ruth Bowman, Brian Harvey and Christine Mason.

29. **Substitutes**

There were no substitutes at the meeting.

30. **Public Participation**

Public participation had been included within the previous informal discussions and there had been no questions/statements from members of the public.

31. **Minutes**

The minutes of the meeting held on 29 January 2015, were accepted by the Committee as an accurate record and signed by the Chairman.

32. **Internal Audit Annual Report (2014-15) and Outline Internal Audit Plan (2015-16) (Report No PAS/FH/15/006)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/006.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

With the vote being unanimous, it was

RESOLVED:

That:-

1. The Internal Audit Plan for 2015-2016, attached as Appendix C to Report No PAS/FH/15/006, be approved.
2. The conclusion drawn in respect of the annual review of the effectiveness of internal audit, be endorsed.
3. The contents of the Annual Internal Audit Report for 2014-2015 and the Managing the Risk of Fraud, Theft and Corruption Report, as set out in Appendices A and D to Report No PAS/FH/15/006, be noted.

33. West Suffolk Annual Governance Statement (2013-14) Action Plan Update (Report No PAS/FH/15/007)

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/007.

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

34. Key Performance Indicators and Quarter 4 Performance Report 2014-15 (Report No PAS/FH/15/008)

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/008.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the performance against the Key Performance Indicators for Quarter 4, 2014-2015, subject to a future report being presented to the Committee on WS/HOU009 – Private sector tenancies made available through West Suffolk Lettings Partnership.

35. Performance Management Report 2015-2016 (Report No PAS/FH/15/009)

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/009.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the report subject to the parallel running of the current performance reporting system and the proposed balanced scorecard.

36. **West Suffolk Strategic Risk Register Quarterly Report - March 2015 (Report No PAS/FH/15/010)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/010.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

The Committee had requested that a written response be provided on Risk (WS12) on the types of engagement undertaken with employers, and suggested that Risk (WS21) – Safeguarding Children - that reference to the Multi Agency Safeguarding Hub (MASH) be included as a preventative action.

There being no decision required, the Committee **noted** the contents of the report, subject to the above comments made.

37. **Biannual Corporate Complaints and Compliments Digest (Report No PAS/FH/15/011)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/011.

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

38. **Work Programme Update (Report No PAS/FH/15/012)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No PAS/FH/15/012.

There being no decision required, the Committee **noted** the contents of the work programme for 2015, subject to the balanced scorecard and a future report on Private Sector Lettings being included.

39. **Ernst and Young - Annual Certification Report 2013-2014 (Report No PAS/FH/15/013)**

The Committee received Report No PAS/FH/15/013, which updated Members on the outcome of the annual audit of grant claims by Ernst and Young (EY), as detailed in their Annual Certification Report for 2013-2014, attached as Appendix A.

Melanie Richardson (External Audit Manager) from EY presented this report, which summarised the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments. The report included key messages arising from the assessment of the arrangements for preparing claims and returns and information on claims that were qualified. Melanie drew relevant details from the report to Members' attention and also explained the one claim relating to the Housing Benefits Subsidy Claim.

Members considered the report and there being no decision required, the Committee **noted** the contents of the report.

40. **Ernst and Young - Presentation of External Audit Plan and Fees 2014-15 and 2015-16 Indicative Fees (Report No PAS/FH/15/014)**

The Committee received Report No PAS/FH/15/014, which set out how EY intended to carry out their responsibilities as the Council's external auditors (Appendix A). The purpose of the report was to provide the Committee with a basis to review EY's proposed audit approach and scope for the 2014-2015 audit, along with the planned fees to complete the work. The report also provided the Committee with a basis to review the 2015-2016 indicative fees (Appendix B).

Melanie Richardson (External Audit Manager) from EY presented this report, which summarised EY's assessment of the key risks which drove the development of an effective audit of the Council and outlined their planned audit strategy in response to those risks. Officers would also be working with EY during their audit, to ensure that these risks were managed and, where possible, come to an agreement over any proposed changes to the draft Statement of Accounts, prior to the issuing of the Annual Governance Report and Audit Opinion, which was due to be issued by EY by September 2015. Melanie also drew Members' attention to the Financial Statement Risks and the Value for Money conclusion. The indicative audit fee for 2015-2016 was set out in Appendix B of the report, which would be reviewed and updated, as necessary, following completion of the 2014-2015 audit.

Members asked questions on elements of the report, to which Melanie and Officers duly responded.

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

41. **Financial Outturn Report (Revenue and Capital) 2014-15 (Report No PAS/FH/15/15)**

The Committee received Report No PAS/FH/15/15, which updated Members on the 2014-2015 outturn revenue and capital position. Attached at Appendix A to the report, was the revenue outturn position as at 31 March 2015, which currently showed an overall underspend of £39,000. An analysis of revenue variances for 2014-2015 was attached at Appendix B.

Attached at Appendix C was the Council's capital outturn position for the year 2014-2015, which showed a net underspend of £1,608,000., which predominately related to the timing of capital projects.

Appendix D to the report set out a summary of the earmarked reserves for the year 2014-2015. As at 31 March 2015, the balance of the Council's reserves was £7,819,000.

The Committee then scrutinised the report in detail and asked a number of questions, to which Officers duly responded. In particular, Officers agreed to provide Members with a written response to the following question raised:

1. Appendix B – Whilst discussing the content of this Appendix and further to the discussions on recycling (Cost Centres 3041 (Recycling Collection (Blue Bin)) and 3042 (Compostable Collection (Brown Bin))), Members referred to the recent introduction of kerbside glass recycling by Breckland Council. Members wished to know why Forest Heath District Council did not participate in the kerbside collection of glass and also requested to be provided with further information on the Breckland glass recycling scheme.

There being no decision required, the Committee **noted** the 2014-2015 outturn revenue and capital outturn positions, as set out in Appendices A and C to Report No PAS/FH/15/015.

The Meeting concluded at 7.10 pm

Signed by:

Chairman

Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	Balanced Scorecard and Quarter 1 Performance report 2015-16	
Report No:	PAS/SE/15/016	
Report to and date:	Performance and Audit Scrutiny Committee	30 July 2015
Portfolio holder:	Steven Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: steven.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2015-16 and an overview of performance against those indicators for the first quarter of 2015-16.	

Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to: 1) <u>Note</u> the performance indicators and targets being used to measure the Council's performance for 2015-16; and 2) Review the Council's performance using Balanced Scorecards for Quarter 1, 2015-16 and identify any further information required or make recommendations where remedial action or attention is required to address the Council's performance.
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> This report has been prepared in consultation with all relevant staff and Leadership Team.
Alternative option(s):	<ul style="list-style-type: none"> The option of doing nothing may result in poor performance, monitoring performance can highlight where remedial action may be needed
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> While there are no direct financial or budget implications arising from this report, it is possible that any recommendations of the Committee may have some resource implications. For example, resources may need to be reallocated to improve performance in a future period.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no legal implications from this report. Poor performance levels may impact on the Council's ability to implement its policies or high-level strategies.
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to achieve optimum or target performance which may impact on resources	High	Regular reporting of performance to Joint Leadership Team, Portfolio Holders and to PASC can highlight where remedial action may be needed.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A – Resources and Performance Balanced Scorecard Appendix B – Families and Communities Balanced Scorecard Appendix C – Human Resources, Legal and Democratic Balanced Scorecard Appendix D – Planning and Growth Balanced Scorecard Appendix E – Operations Balanced Scorecard Appendix F – Housing Balanced Scorecard Appendix G – Forest Heath, St Edmundsbury and West Suffolk Performance Indicators 2015-16 – Quarter 1 results	

1. Key issues and reasons for recommendations

1.1 Background

- 1.1.1 At the previous meeting of this committee, members considered, scrutinised and supported a report on the desired West Suffolk Performance Management outcomes for 2015/16.
- 1.1.2 The report explained how the right performance management tool can act as a catalyst for creating and sustaining the performance management framework desired by the West Suffolk councils. A recognised performance management tool is the balanced scorecard.
- 1.1.3 It must be noted that whilst benefits of the new framework should accrue from the beginning, those benefits increase over the coming months/years, as the new performance management principles and practices become embedded in the West Suffolk culture. Consequently, we need to sustain and improve our performance management framework in order to gain the greatest benefit.

1.2 Performance Measures and targets – 2015/16

- 1.2.1 Attached at **Appendices A to F** are the current Balanced Scorecards (based on Head of Service area) including the proposed performance measures, targets and quarter one data for 2015/16. There are some performance measures which are consistent across all six balanced scorecards (i.e. number of complaints / compliments), as well as service specific performance measures which will only be on the relevant service scorecard.
- 1.2.2 It is envisaged the Balanced Scorecard report will replace a number of the existing reports that currently go through this committee, such as the quarterly Key Performance Indicator report, quarterly Strategic Risk Register report and the Bi-annual Corporate Complaints and Compliments report. It is envisaged that the Balanced Scorecard approach will remove the need to report the current quarterly KPI (**Appendix G**) and bi-annual corporate Complaints and Compliments report after quarter 1. From quarter 2 it is envisaged that the quarterly Strategic Risk Register report will also no longer be required as this will be covered within the Balanced Scorecards from quarter 2.
- 1.2.3 At present the Balanced Scorecards are manually prepared using Microsoft Excel. Over the next few months, staff will also look for options for the best supporting systems to deliver on our desired performance management outcomes including automation.

1.3 Explanation of Balanced Scorecard

- 1.3.1 Unless otherwise stated, all performance figures on the scorecards are from a West Suffolk perspective. Where the performance for either individual Council is significantly different from the West Suffolk figure that it would have a different RAG rating, details of this are highlighted in the comments box.
- 1.3.2 The "Frequency" column in the balanced scorecard shows how often data is collected for each performance measure. There are three different collection frequencies, monthly (designated as M), quarterly (designated as Q) and half

yearly (designated as B). The periods at the top of the balanced scorecard show what the latest collection periods are.

- 1.3.3 The "Type" column identifies if the performance measure is a cumulative indicator, or a period only indicator. A cumulative indicator is one where the information is calculated using data from the beginning of the financial year to the current period (e.g. "Income generated from entire property portfolio" is an indicator that is updated with a monthly frequency, but the data is from April 2015 to June 2015 rather than for just June 2015). A period only indicator is one where the information is calculated using data only from that period (e.g. "% of non-disputed invoices paid within 30 days" is updated on a monthly basis, with the information shown only relevant to the latest period).
- 1.3.4 The "Trend" column gives a graphical analysis of historical performance against each performance measure. Where there is no graph against a performance measure, this is predominately due to the fact that there is only one period worth of data available, and at least two are needed to establish a trend graph. Some performance measures will need a different type of trend graph due to the nature of the indicator, and these will be worked on in the next quarter. The expectation is that all performance measures will have a trend analysis graph for the second quarter report to this committee.
- 1.3.5 Further work will be undertaken in the coming months to develop the project and risk elements of the balanced scorecard, with progress on this being detailed in the second quarter report.

1.4 **Quarter 1 Performance**

- 1.4.1 Across all service balanced scorecards, there are indicators measuring the performance of the transactional finance functions. These are "% of non-disputed invoices paid within 30 days" and "% of debt over 90 days old". Against these indicators, all services areas have failed to meet the targets of more than 95% of non-disputed invoices paid with 30 days and less than 10% of debt over 90 days old.
- 1.4.2 The finance and performance team are currently working with service areas to try and improve performance against both of these measures. Monthly business intelligence reports are sent out to service areas with details of all invoices processed, and detailed aged debt lists. Debt control workshops have also been set up to help improve debt collection performance.
- 1.4.3 The invoice processing indicator is based on the invoice date, rather than the date the Council received the invoice. This can lead to some delays in invoice processing if the invoices are not received for a significant amount of time after the invoice date, which does often happen, especially when suppliers batch a whole month of invoices together before they get sent in.
- 1.4.4 Included in the total debt figures for each service area is debt which is being pursued by the Legal Services Section. These are debts which have been pursued by the service areas, without success, and have been escalated for further action.

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WEST SUFFOLK - RESOURCES & PERFORMANCE BALANCED SCORECARD

APPENDIX A

M-MONTH Jun 15

Q-QUARTER Apr 15 - Jun 15

B - HALF YEARLY Oct 14 - Mar 15

* These indicators are at organisational level

		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments	
RESOURCES	FINANCIAL	Year end forecast variance (under) / over spend against budget - FHDC	£ 9,000.00	-	M	Cumulative		£100k less income expected to be received from Flagship as part of the VAT Shelter Agreement. £91k in year savings predominately from supplies & services and increased income. See Q1 budget monitoring report for more detail.	SATISFACTION	Number of formal complaints	8	No target	B	Period only		All complaints relate to ARP.
		Year end forecast variance (under) / over spend against budget - SEBC	(£50,000.00)	-	M	Cumulative		Higher council tax court costs anticipated to be recovered, along with some reductions in associated costs. See Q1 budget monitoring report for more detail.		Number of formal compliments	0	No target	B	Period only		
		Income generated from Service Level Agreements	(£45,703.00)	(£49,461.00)	M	Cumulative		Slight under achievement of ICT income. Expected to be on budget at year end.	CUSTOMERS	Organisational year end forecast variance (under) / over spend against budget - FHDC *	-	-	M	Cumulative		The current forecast position for the year end is expected to be on budget. See Q1 budget monitoring report for further details.
		% return on the investment of reserves and balances - FHDC	1.65	1.70	Q	Cumulative		Due to higher levels of balances than anticipated, actual income received for the quarter is £10,000 higher than budget. See Q1 Treasury Management report for more detail.		Organisational year end forecast variance (under) / over spend against budget - SEBC *	(£51,500.00)	-	M	Cumulative		The current forecast position for the year end is expected to be underspent. See Q1 budget monitoring report for further details.
	% return on the investment of reserves and balances - SEBC	0.70	0.90	Q	Cumulative		Due to higher levels of balances than anticipated, actual income received for the quarter is £20,000 higher than budget. See Q1 Treasury Management report for more detail.	Total income generated by organisation £ *		(£6,532,808.83)	(£6,479,076.00)	M	Cumulative			
	FINANCE & PERFORMANCE	% of non-disputed invoices paid within 30 days	86.21	95.00	M	Period only		58 invoices processed in June. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.	ORGANISATIONAL	% of total non-disputed invoices paid within 30 days *	78.50	95.00	M	Period only		1,293 invoices processed in June. Working with services to try and improve payment times.
		% of debt over 90 days old	16.52	10	M	Cumulative		FHDC debt £1,705.93 - 100% over 90 days. SEBC debt £26,225.42 - 11.09% over 90 days. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.		% of total debt over 90 days old *	62.53	10.00	M	Cumulative		FHDC debt £140,359.46 - 53.48% over 90 days. SEBC debt £540,592.76 - 64.87% over 90 days. Setting up monthly debt control meetings with business areas.
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments	
INTERNAL PROCESSES	FINANCE	% of all payments made to us by BACS, Direct Debit, online as opposed to cash & cheque *	0.00	0.00	M	Period only		This indicator is to be developed going forward, so not available for first quarter.	OUTCOMES	ARP	% Collection of Council Tax - FHDC	29.71	29.62	M	Cumulative	
	ICT	% of ICT Helpdesk calls completed 'on time' as defined in SLAs	89.36	90.00	M	Period only		% Collection of Council Tax - SEBC			30.01	30.08	M	Cumulative		
	ARP	Days taken to process Housing Benefit new claims and changes - FHDC	7.60	12.00	M	Period only		% Collection of Business Rates - FHDC			28.06	28.72	M	Cumulative		
		Days taken to process Housing Benefit new claims and changes - SEBC	5.70	12.00	M	Period only		% Collection of Business Rates - SEBC			30.64	27.25	M	Cumulative		

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved budget	Forecast Spend	Variance	Comments
		Agresso Phase II - System Development	Jo Howlett						
	Fund Manager Procurement	Jo Howlett							
	Merchant acquiring services	Judith Wright							
	Development of West Suffolk Information Strategy	James Wager							

RISK

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WEST SUFFOLK - FAMILIES & COMMUNITIES BALANCED SCORECARD

APPENDIX B

M - MONTH Jun 15

Q - QUARTER Apr 15 - Jun 15

B - HALF YEARLY Oct 14 - Mar 15

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		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments	
RESOURCES	FINANCIAL	Year end forecast variance (under) / over spend against budget - FHDC	-	-	M	Cumulative		No major budget variances expected at year end.	CUSTOMERS	SATISFACTION	% Customer satisfaction with customer service - overall journey	TBC	80.00	Q	Period only	Not available for first quarter, is being piloted in July so data should be available for the second quarter.
		Year end forecast variance (under) / over spend against budget - SEBC	-	-	M	Cumulative		No major budget variances expected at year end.			Number of formal complaints	0	No target	B	Period only	Complaints relate only to the Families & Communities Service
		Income generated from SLAs	-	-	M	Cumulative		No SLA income generated so far this year.			Number of formal compliments	3	No target	B	Period only	Compliments relate only to Families & Communities Service
		% of non-disputed invoices paid within 30 days	80.00	95.00	M	Period only		25 invoices processed in June. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.		SERVICE	Customer service mystery shopping - average % score	TBC	90.00	Q	Period only	Not available for first quarter, working towards having information for second quarter.
	% of debt over 90 days old	98.61	10.00	M	Cumulative		FHDC debt £441.60 - 100% over 90 days. SEBC debt £900.72 - 97.92% over 90 days. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.									
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments	
INTERNAL PROCESSES	COMMUNICATIONS	Number of unique users of the West Suffolk councils website	86,111	No target	Q	Period only		Users = new and returning users within a defined period. Excludes all users from a West Suffolk IP address.	OUTCOMES	CUSTOMER SERVICES	% of issues resolved at first point of contact with Customer Services - telephone	80.90	80.00	Q	Period only	
		Number of unique page views to the West Suffolk councils website	362,956	No target	Q	Period only		Unique page views = how many pages were viewed in that period of time. Excludes all users from a West Suffolk IP address			% of issues resolved at first point of contact with Customer Services - face to face	87.00	80.00	Q	Period only	
		Number of online forms completed	1,160	No target	Q	Period only				FAMILIES & COMMUNITIES	Outcomes delivered from public health funding	TBC	0	Q		To be developed once funding proposals developed.
		Number of unique page views to the West Suffolk intranet	214,204	No target	Q	Period only		Data available from 12 April (go-live date) so not a full quarter.			Financial benefit of the families & communities agenda	TBC	0	B		This indicator is to be developed, so not available for first quarter.
	CUSTOMER SERVICES	% of telephone calls answered	94.00	90.00	Q	Period only				Reduction in fear/perception of crime	TBC	0	B		This indicator is to be developed, so not available for first quarter.	
		Number of face to face contacts (not including visitor management)	32,013	No target	Q	Period only										

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved	Forecast	Variance	Comments
		Customer Relationship Management	Chris Bolton						
	Customer Service Excellence corporate training	Chris Bolton							
	Customer Access Software	Chris Bolton							
	Internal communications	Marianne Hulland							
	Strategic planning 2016-2020	Liz Barnard / Tanya Sturman							
	Community centre transfer	Lucy Carter							
	Neighbourhood pilot	Lucy Carter							
	BPR - planning	Ben Smith							
	BPR - markets	Liz Barnard							
	BPR - housing standards	Liz Barnard							

RISK

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WEST SUFFOLK - HUMAN RESOURCES, LEGAL & DEMOCRATIC BALANCED SCORECARD

APPENDIX C

M - MONTH Jun 15

Q - QUARTER Apr 15 - Jun 15

B - HALF YEARLY Oct 14 - Mar 15

* These indicators are at organisational level

		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
RESOURCES	FINANCIAL	Year end forecast variance against budget - FHDC	-	-	M	Cumulative		No major budget variances expected at year end.	CUSTOMERS	SATISFACTION	Number of formal complaints	3	No target	B	Period only		Of the 3 complaints received in the period, 2 related to FHDC and 1 to SEBC. All three were specific to the Legal Services department.
		Year end forecast variance against budget - SEBC	£ 5,000.00	-	M	Cumulative		Slight under achievement of legal income expected. See Q1 budget monitoring report for further details.			Number of formal compliments	0	No target	B	Period only		
		% of non-disputed invoices paid within 30 days	79.63	95.00	M	Period only		54 invoices processed in June. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.		SERVICE	% on-line electoral registration *	98.00	95.00	A	Period only		
		% of debt over 90 days old	63.22	10.00	M	Cumulative		FHDC debt £2,538.28 - 100% over 90 days. SEBC debt £15,382.03 - 57.15% over 90 days. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.									
	STAFF	Average number of sick days lost per FTE per annum*	6.83	6.50	Q	Period only		Average FTE of 586.98 includes all permanent and temporary staff. Absence includes industrial injury.									
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
INTERNAL PROCESSES	HUMAN RESOURCES	Time taken to complete recruitment process - advert to offer (days)	26.64	35.00	Q	Period only			OUTCOMES	HUMAN RESOURCES	% Voluntary staff turnover *	9.62	7-12	Q	Period only		
		% of vacancies against establishment	5.16	10.00	Q	Period only		Based on a headcount of 581 - excluding ARP.			% successful staff appointments *	100.00	85.00	Q	Period only		
										H&S	Reported incidence of injuries, diseases and dangerous occurrences *	0	10	Q	Period only	There were no reported incidence of injuries, diseases and dangerous occurrences in this quarter.	

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved	Forecast	Variance	Comments
		Modern.gov Phase II	Fiona Osman						
	Suffolk-wide legal team	Joy Bowes							
	Community Governance Review	Fiona Osman							

RISK

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WEST SUFFOLK - PLANNING & GROWTH BALANCED SCORECARD

APPENDIX D

M - MONTH Jun 15

Q - QUARTER Apr 15 - Jun 15

B - HALF YEARLY Oct 14 - Mar 15

			Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
RESOURCES	FINANCIAL	Year end forecast variance (under) / over spend against budget - FHDC	£ 6,000.00	-	M	Cumulative		See Q1 budget monitoring report for details.	CUSTOMERS	SATISFACTION	Number of formal complaints	3	No target	B	Period only	/		
		Year end forecast variance (under) / over spend against budget - SEBC	£ 265,000.00	-	M	Cumulative		See Q1 budget monitoring report for details.			Number of formal compliments	0	No target	B	Period only	/		
		Spend on professional fees in relation to planning appeals	£ 24,035	£ 20,112	M	Cumulative		£19,920 relates to FHDC appeals, £4,115 relates to SEBC appeals. Additional cost to be accommodated within budget or from general fund at year end.										
		Income received against budget	(£660,097)	(£647,157)	M	Cumulative		SEBC under achieving income by £30k in the quarter. FHDC over achieving income by £40k in the quarter.										
		% of non-disputed invoices paid within 30 days	82.58	98.00	M	Period only		132 invoices processed in June. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.										
		% of debt over 90 days old	61.16	10.00	M	Cumulative		FHDC total debt £7,549.10 - 95.02% over 90 days. SEBC total debt £17,735.18 - 46.75% over 90 days. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.										
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments			
INTERNAL PROCESSES	PLANNING	% of major planning applications determined within 13 weeks	50.00	60.00	M	Period only		FHDC - 2 applications determined, none in time - 0%. SEBC - 2 applications determined, both in time - 100%	OUTCOMES	ECONOMIC DEV	New and existing businesses benefitting from the Council's Business Grant schemes	3	5	Q	Cumulative		All 3 grants were made by FHDC in this quarter. Each grant is for the amount of £1,500.	
		% of minor planning applications determined within 8 weeks	61.11	65.00	M	Period only		FHDC - 14 applications determined, 9 in time - 64.29%. SEBC - 22 applications determined, 13 in time - 59.09%			ENVIRONMENTAL MGT	Renewable energy generated on Council properties (KWh)	135,924	No target	Q	Period only		FHDC - 63,973 kWh; SEBC - 71,951 kWh. This is an increase of 11.14% in generation levels compared to the same period in 2014/15.
		% of other planning applications determined within 8 weeks	78.31	80.00	M	Period only		FHDC - 20 applications determined, 13 in time - 65%. SEBC - 63 applications determined, 52 in time - 82.54%		Number of solar PV rent-a-roof schemes delivered		1	No target	Q	Cumulative			
	ENFORCEMENT	Number of enforcement cases opened	42	No target	M	Period only		In June: FHDC cases opened - 24; SEBC cases opened - 18										
		Number of enforcement cases closed	22	No target	M	Period only		In June: FHDC cases closed - 9; SEBC cases closed - 13										

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved	Forecast	Variance	Comments

RISK

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WEST SUFFOLK - OPERATIONS BALANCED SCORECARD

APPENDIX E

M - MONTH Jun 15

Q - QUARTER Apr 15 - Jun 15

B - HALF YEARLY Oct 14 - Mar 15

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		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
RESOURCES	FINANCIAL	Year end forecast variance against budget - FHDC	(£15,000.00)	-	M	Cumulative		Expected underspend on fuel costs, with additional income from trade waste. See Q1 budget monitoring report for more details.	CUSTOMERS	SATISFACTION	Customer service mystery shopping - average % score	0.00	90.00	Q	Period only	Not available for first quarter, working towards having information for second quarter.	
		Year end forecast variance against budget - SEBC	(£234,000.00)	-	M	Cumulative		Expected underspend on fuel costs, with additional income from trade waste and car parks. See Q1 budget monitoring report for more details.			Number of formal complaints	7	No target	B	Period only	/	
		Income from entire property portfolio	(£1,004,058.87)	(£970,395.00)	M	Cumulative		Expecting to be on budget at year end.			Number of formal compliments	45	No target	B	Period only	/	
		Income from waste & street scene services	(£1,567,128.12)	(£1,528,638.00)	M	Cumulative		Trade waste income expecting to be higher than budget by £95,000 at year end (£25,000 - FHDC; £70,000 - SEBC).									
		% of non-disputed invoices paid within 30 days	75.94	95.00	M	Period only		877 invoices processed in June. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.									
		% of debt over 90 days old	64.35	10.00	M	Cumulative		FHDC debt £124,496.27 - 47.85% over 90 days. SEBC debt £478,284.44 - 68.64% over 90 days. See paragraphs 1.4.1 - 1.4.4 in main report for more comments.									
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
INTERNAL PROCESSES	WASTE MGT	Number of household bins not collected as scheduled -per 10,000 properties	5.05	8.25	M	Period only			OUTCOMES	WASTE MANAGEMENT	% of household waste recycled and composted	49.20	51.00	Q	Cumulative		FHDC - 49.33%; SEBC 49.16%
								Residual household waste per household - Kgs			144.42	120.00	Q	Cumulative		FHDC - 129.54kg; SEBC - 153.55kg	
										PROPERTY	% of industrial units that are vacant	4.72	8.25	M	Period only		FHDC vacancy rate - 10.00% (13 properties); SEBC vacancy rate 1.74% (4 properties).

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved	Forecast	Variance	Comments
		West Suffolk Operational Hub	Mark Walsh						
	Sam Alper Court	Richard Combes							
	Soft FM Services	Mark Walsh							
	CCTV	Teresa Claydon							
	West Stow Investment	Richard Hartley							
	Back Office software	Mark Christie							

RISK






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West Suffolk Key Performance Indicators 2015-16 - Quarter 1

Appendix G

















Key:

	PI significantly below target	9
	PI below target but within agreed tolerance	9
	PI on or exceeded target	19
	Contextual indicator – no targets set	8
	Short term trend (comparing current quarter with previous quarter).	

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Code and Short Name	14/15 Actual	Target	Performance		Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note
		Annual Target 2015/16	Q1 2015/16	Value			Target	

Priority: Increased opportunity for economic growth

1	FH/EDG001* New and existing businesses benefitting from the Council's Business Grant schemes	7		3				Quarter	Three grants was awarded in the first quarter, with a value of £1,500 each.
2	SE/EDG001* New and existing businesses benefitting from the Council's Business Grant schemes	23		-				Quarter	No grants were made in this quarter.
3	FH/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	15.83%	16.75%	10.00%	16.75%			Quarter	13 vacant units. Vacancy rates are due to the condition of the stock, particularly within Brandon.
4	SE/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	2.40%	3.00%	1.74%	3.00%			Quarter	4 units are vacant.
5	WS/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	8.01%	8.25%	4.72%	8.25%			Quarter	
6	FH/EDG003* Income from entire commercial property portfolio	£1,730,873	£1,759,900	£367,677	£366,641			Quarter	
7	SE/EDG003* Income from entire commercial property portfolio	£2,514,636	£2,500,200	£636,382	£603,754			Quarter	
8	WS/EDG003* Income from entire commercial property portfolio	£4,245,509	£4,260,100	£1,004,059	£970,395			Quarter	

No:	Code and Short Name	14/15 Actual	Target	Performance		Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note
			Annual Target 2015/16	Q1 2015/16	Value			Target	

Priority: Resilient families and communities that are healthy and active

9	FH/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15	TBC		TBC				Work on how to quantify the financial benefits of the Families & Communities Agenda is on-going, with data available later in the year.
10	SE/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15	TBC		TBC				As above
11	WS/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15	TBC		TBC				As above
12	FH/FAC004* Percentage of household waste recycled and composted	46.00%	49.00%	49.33%	49.00%			Quarter	
13	SE/FAC004* Percentage of household waste recycled and composted	52.00%	53.00%	49.16%	53.00%			Quarter	
14	WS/FAC004* Percentage of household waste recycled and composted	50.00%	51.00%	49.20%	51.00%			Quarter	



















Priority: Homes for our communities

15	WS/HOU003* Total number of empty properties (empty for a period of 12 months or longer) brought back into use for West Suffolk through Council intervention	Changed from 14/15 indicator	10	2	2			Cumulative	Whilst we will keep a running total of homes empty for 6 months or longer, this target measures specific intervention undertaken by Housing.
16	FH/SE/HOU004* The number of applicants on the housing register in Bands A & B	Changed from 14/15 indicator	450	348	450			Cumulative	
17	SE/HOU004* The number of applicants on the housing register	Changed from 14/15 indicator	850	620	850			Cumulative	
18	WS/HOU004 The number of applicants on the housing register	Changed from 14/15 indicator	1,300	968	1,300			Cumulative	
19	FH/SE/HOU005* Time taken to make decisions on homelessness applications (Days)	13	14	16	14			Quarter	Improved performance over the past year is as a result of implementation of revised working practices. Performance is expected to meet target next quarter
20	SE/HOU005* Time taken to make decisions on homelessness applications (Days)	14	14	16	14			Quarter	Improved performance over the past year is as a result of implementation of revised working practices. Performance is expected to meet target next quarter

No:	Code and Short Name	14/15 Actual	Target	Performance				Short Term Trend Arrow	Target	Latest Note
			Annual Target 2015/16	Q1 2015/16		Quarterly Traffic Light Icon	Cumulative or Quarter			
				Value	Target					
21	WS/HOU005* Time taken to make decisions on homelessness applications (Days)	14	14	16	14			Quarter		
22	FH/HOU008* Number of households living in B&B	Changed from 14/15 indicator	-	-	-			Quarter		
23	FH/HOU008* Number of households living in B&B	Changed from 14/15 indicator	10	5	10			Quarter		
24	FH/HOU008* Number of households living in B&B	Changed from 14/15 indicator	10	5	10			Quarter		
25	FH/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	35	20	2	5			Cumulative	Reduction of available properties in the market is a problem. Looking at alternative approaches.	
26	SE/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	43	40	9	10			Cumulative	Reduction of available properties in the market is a problem. Looking at alternative approaches.	
27	WS/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	78	60	11	15			Cumulative		
28	FH/HOU011* Percentage of major planning applications determined within 13 weeks	47.37%	60.00%	50.00%	60.00%			Quarter	4 major applications were determined in the quarter, with 2 being within 13 weeks.	
29	SE/HOU011* Percentage of major planning applications determined within 13 weeks	61.54%	60.00%	50.00%	60.00%			Quarter	4 major applications were determined in the quarter, with 2 being within 13 weeks.	
30	WS/HOU011* Percentage of major planning applications determined within 13 weeks	56.90%	60.00%	50.00%	60.00%			Quarter		
31	FH/HOU012* Percentage of minor planning applications determined within 8 weeks	56.67%	65.00%	67.86%	65.00%			Quarter	28 minor applications were determined in the quarter, with 19 being within 8 weeks.	
32	SE/HOU012* Percentage of minor planning applications determined within 8 weeks	53.19%	65.00%	73.26%	65.00%			Quarter	86 minor applications were determined in the quarter, with 63 being within 8 weeks.	
33	WS/HOU012* Percentage of minor planning applications determined within 8 weeks	54.55%	65.00%	71.93%	65.00%			Quarter		
34	FH/HOU013* Percentage of other planning applications determined within 8 weeks	74.19%	80.00%	70.91%	80.00%			Quarter	55 other applications were determined in the quarter, with 39 being within 8 weeks.	
35	SE/HOU013* Percentage of other planning applications determined within 8 weeks	78.95%	80.00%	78.65%	80.00%			Quarter	206 other applications were determined in the quarter, with 162 being within 8 weeks.	
36	WS/HOU013* Percentage of other planning applications determined within 8 weeks	77.80%	80.00%	77.01%	80.00%			Quarter		

Corporate indicators

37	WS/COR002* Working days/shifts lost due to sickness absence - all	6.48	6.50		6.50			Quarter	
38	WS/COR005* % of non-disputed invoices paid within 30 days of receipt	72.84%	98.00%	78.50%	95.00%			Quarter	1,293 invoices processed in June. Working with services to try and improve payment times.
39	FH/COR006* Percentage return on the investment of the council's reserves and balances	1.65%	1.90%	1.65%	1.50%			Quarter	

No:	Code and Short Name	14/15 Actual	Target	Performance		Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note
			Annual Target 2015/16	Q1 2015/16 Value	Q1 2015/16 Target			Cumulative or Quarter	
40	SE/COR006* Percentage return on the investment of the council's reserves and balances	0.75%	1.50%	0.70%	1.50%			Quarter	The reduction in the average interest rate is primarily due to the continued fall in rates being offered on both call accounts, and fixed term investments.
41	FH/COR007* Collection of Council Tax	96.97%	97.05%	29.73%	29.62%			Cumulative	
42	SE/COR007* Collection of Council Tax	98.30%	98.30%	30.07%	30.08%			Cumulative	
43	FH/COR008* Collection of Business Rates	97.65%	98.26%	28.39%	28.72%			Cumulative	
44	SE/COR008* Collection of Business Rates	98.30%	98.41%	30.21%	27.25%			Cumulative	
45	WS/COR009* Percentage of answered calls	95.00%	90.00%	94.00%	90.00%			Quarter	
46	FH/COR010* Number of face to face contacts (not including visitor management)	49,811		10,437				Quarter	
47	SE/COR010* Number of face to face contacts (not including visitor management)	82,552		21,576				Quarter	
48	WS/COR010* Number of face to face contacts (not including visitor management)	132,363		32,013				Quarter	

Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	West Suffolk Risk Management Approach and Principles	
Report No:	PAS/FH/15/017	
Report to and date/s:	Performance and Audit Scrutiny Committees	30 July 2015
	Cabinet	15 September 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 07711 457657 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To consider a new, positive approach to risk based on context, proportionality, judgement and evidence-based decision making that is considered on a case by case basis.	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>It is <u>RECOMMENDED</u> that:</p> <p>Members scrutinise the West Suffolk Risk Management Approach and Principles attached at Appendix 1 and supporting flowchart at Appendix 2 and raise any issues for Cabinet consideration on its adoption</p>	
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>	

Consultation:		<ul style="list-style-type: none"> Senior Management have contributed to the development of the framework, including through the Programme Group, the forum where the councils' projects are co-ordinated. 	
Alternative option(s):		<ul style="list-style-type: none"> Not Applicable 	
Implications:			
Are there any financial implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no direct financial or budget implications arising from this report. Failure to adopt a risk management approach may impact on resources. 	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> Risk management is a key part of corporate governance. 	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Failure to adopt a risk management approach may result in poor risk management which may impact negatively on resources or the councils' reputation	Medium	Develop a new approach to risk management that is widely adopted by staff and Members, and overseen by PASC.	Low
Failure to adopt a risk management approach may result in missed opportunities for growth	Medium	Adopt a new approach that will provide the framework needed to be more confident in our approach to identifying, appraising, managing and monitoring risk	Low
Ward(s) affected:		All Ward/s	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Report No PAS14/041 - West Suffolk Strategic Risk Register (including West Suffolk Toolkit) (31 July 2014) Report No PAS14/041 Report No PAS14/041 Appendix 1 Report No PAS14/041 Appendix 2	

	<p>Report No PAS/FH/15/010 - West Suffolk Strategic Risk Register Quarterly Report - March 2015 (4 June 2015) Report No PAS/FH/15/010 Report No PAS/FH/15/010 Appendix 1</p> <p>Report No PAS/FH/15/009 - Performance Management Report 2015-2016 (4 June 2015) Report No PAS/FH/15/009 Report No PAS/FH/15/009 Appendix A</p>
<p>Documents attached:</p>	<p>Appendix 1 West Suffolk Risk Management Approach and Principles</p> <p>Appendix 2 West Suffolk Evidence Based - Risk Management</p>

1. Key issues and reasons for recommendation

1.1 Key Issues and Summary

- 1.1.1 We define risk as being uncertainty of outcome, whether relating to 'positive' opportunities or 'negative' threats / hazards.
- 1.1.2 In the past, risk has sometimes been used as a reason not to do something or to keep doing something instead of stopping it: the greater the risk, the less likely we have been to act. This approach has often allowed risks to blind us to opportunities, and the lack of a clear evidence base for our assessments of risk has sometimes prevented us from having an open debate about risk.
- 1.1.3 As West Suffolk changes direction, begins to operate in new ways and seeks new opportunities, the type of decisions we are now having to make will feel unfamiliar, more complex and could carry greater risks. For example, the councils' increasing focus on investment and on new delivery vehicles requires decisions that bring new risks and opportunities into play. We therefore need to be more confident in our approach to identifying, appraising, managing and monitoring risk.

1.2 A new approach to Risk

- 1.2.1 A new, positive approach to risk is needed and it is proposed that this is based on context, proportionality, judgement and evidence-based decision making that considers risk on a case by case basis and is documented at all stages. We will need to be joined-up in our decisions, and will need to draw on one another's skills and experience to take responsibility for sound and reasonable decisions about the use of public funds, avoiding a blame culture when things don't necessarily go to plan.
- 1.2.2 Our new approach to risk is proposed for scrutiny, based on seven core principles as detailed in **Appendix 1** to this report:
- A positive approach;
 - Contextual decision making;
 - Informed risk-taking;
 - Proportionate;
 - Decision risks vs delivery risks;
 - A documented approach; and
 - Continuous improvement
- 1.2.3 A new approach to risk, detailed in **Appendix 1**, is just that, it's an approach. It isn't designed to have all the answers up front or to represent our risk appetite. It commits staff and members to evidence-based decision making that is considered on a case by case basis, taking into account the seven principles outlined above.

1.3 Evidence-based Risk Management

- 1.3.1 It is important that an evidence-based approach is taken at each stage of our risk management practices. The flowchart at **Appendix 2** provides a summary of the various tools and documents that supports this evidence-based

approach. It is these documents and tools that will enable the Council to achieve a learning culture which supports staff and members, enabling managed risk-taking through positive relationships.

1.4 Strategic Risk Register

- 1.4.1 At its meeting on 31 July 2014 (Report No PAS14/041) the Performance and supported the move to a West Suffolk Risk Register and Toolkit.
- 1.4.2 The West Suffolk Strategic Risk Register identifies and records the level of risk associated with delivering the councils' plans alongside meeting its statutory responsibilities and the organisation's overall ability to respond to change. Through assessment of risk and the likelihood and impact of potential failure to meet these challenges, the level of controls and where possible, action required is identified and implemented.
- 1.4.3 The West Suffolk Strategic Risk Register already aligns to our new risk management approach and principles and will continue to remain a key evidence-based document for members. As the Balanced Scorecard is developed the strategic risks contained on the current register will start to become part of the Balanced Scorecard enabling another of the performance dependencies to be available within a single place for each service area for scrutiny.

1.5 Next Steps – dissemination and implementation

- 1.5.1 Once the new approach has been scrutinised and agreed, it is intended that it underpin all thinking about risk by Members and staff. It therefore needs to be properly communicated and understood. A communications plan will be developed to ensure all Members and staff are aware of the principles and the available tools. This is likely to include discussions with Leadership Team and Service Managers, supported by a "cascade" of information to all staff, and inclusion in the Member Development Programme. It will also need to be backed up by short and easy-to-understand messages delivered through the intranet, staff briefings and other internal communications.
- 1.5.2 The new approach will be reviewed periodically to ensure it continues to be fit-for-purpose, and relevant to the new types of decisions the councils are making.

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West Suffolk Risk Management Approach and Principles

What is 'risk'?

We define risk as being uncertainty of outcome, whether relating to 'positive' opportunities or 'negative' threats / hazards.

How has risk been dealt with in the past?

In the past, risk has sometimes been used as a reason not to do something or to keep doing something instead of stopping it: the greater the risk, the less likely we have been to act. This approach has often allowed risks to blind us to opportunities, and the lack of a clear evidence base for our assessments of risk has prevented us from having an open debate about risk.

Why do we need to change the approach?

As West Suffolk changes direction, begins to operate in new ways and seeks new opportunities, the type of decisions we are now having to make will feel unfamiliar, more complex and could carry greater risks. We therefore need to be more confident in our approach to identifying, appraising, managing and monitoring risk.

What is the new approach?

Our new, positive approach to risk is based on context, proportionality, judgement and evidence-based decision making that considers risk on a case by case basis and is documented at all stages. We will be joined-up in our decisions, and will draw on one another's skills and experience to take responsibility for sound and reasonable decisions about the use of public funds, avoiding a blame culture when things go wrong.

How do we make the approach a reality?

Our approach to risk is based on these core principles –

- **A positive approach.** We will find creative solutions rather than ruling things out.
- **Contextual decision making.** We will set each decision about risk in context. Circumstances are constantly changing and we will make each decision on its own merits.
- **Informed risk-taking.** Our decisions will be based on an appropriate range of information and evidence about the implications of both taking action or not taking action. This will include historical data from a variety of sources about what has and hasn't worked before.
- **Proportionate.** The size or importance of the decision will be reflected in the level of scrutiny and assessment of risk that we will apply and the level within the organisation at which the decision is taken.
- **Decision risks vs delivery risks.** The risk of proceeding with a particular course of action may be reduced by the *way in which* we implement the decision.
- **A documented approach.** We will record and keep our clear and justifiable rationales at key stages in the decision making process where appropriate for example, lessons learnt or accountability. We will record the different perspectives, issues and solutions that were considered, as well as any legal issues discussed.
- **Continuous improvement.** We will continue to learn from, reflect on and critique the way in which risk has been dealt with in our decision making. We will take time to share experiences and learn from one another, and to be self-aware about our successes and failures. This will help us to increase in our understanding and our confidence for taking decisions in the future.

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West Suffolk - Evidence-based risk management

Appendix 2



A learning culture supporting staff and members and enabling managed risk taking through positive relationships

Tool Page 41	<ul style="list-style-type: none"> - Project tools (such as the go make a difference -thought shower) - Proposal checklist (“policy makers toolkit”) - Team, management and project meetings 	<ul style="list-style-type: none"> - West Suffolk Risk management toolkit - Officer Investment group (including statutory officers) - Risk assessments (e.g. health and safety, safeguarding, ICT security) 	<ul style="list-style-type: none"> - Project tools - Cross-council working - Learning and Development - Memberships and shared knowledge - Performance Management framework 	<ul style="list-style-type: none"> - Project management structure - Members - Staff 1-1s - Team meetings - Learning and Development - Delegations for statutory matters 	<ul style="list-style-type: none"> - Programme Group (Service Managers monthly) - Investment Group - Members e.g. PASC
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Risk registers (project, service level or strategic)

Document	<ul style="list-style-type: none"> - Project start up - Annual Governance Statement 	<ul style="list-style-type: none"> - Business case template - Committee reports - Medium Term Financial Strategy (annual financial risk sensitivity analysis) 	<ul style="list-style-type: none"> - Project plans - Service level plans - Communications plans - Committee reports - Adhoc risk reports - Insurance specification and cover 	<ul style="list-style-type: none"> - Project plans - Service plans - Communications plans - Business Continuity and Emergency Planning Plans - Team work plans - Individual objectives 	<ul style="list-style-type: none"> - Annual report - Performance reports / Balanced scorecard - Staff performance reviews - Annual Governance Statement
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Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	West Suffolk Strategic Risk Register Quarterly Report – June 2015	
Report No:	PAS/FH/15/018	
Report to and date/s:	Performance and Audit Scrutiny Committee	30 July 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources, Governance & Performance Tel: 01638 660158 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To review the West Suffolk Strategic Risk Register Quarterly Monitoring Report	
Recommendation:	Performance and Audit Scrutiny Committee: It is <u>RECOMMENDED</u> that: Members scrutinise the updated West Suffolk Strategic Risk Register at Appendix 1 and refer any major issues requiring attention to Cabinet.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:	• Not Applicable	
Alternative option(s):	• Not Applicable	
Implications:		

Are there any financial implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no direct financial or budget implications arising from this report. Specific risks associated with finance and resources are included in the West Suffolk Strategic Risk Register at Appendix 1 	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See individual assessments against each risk as detailed in Appendix 1			
Ward(s) affected:		All Ward/s	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix 1 West Suffolk Strategic Risk Register 2015/2016	

1. Key issues and reasons for recommendation(s)

1.1 Key Issues and Summary

- 1.1.1 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. The Group is comprised of service representatives, including Health and Safety, supported by a Director and the Portfolio Holder for Resources, Governance and Performance. Heads of Service may be required to provide further information as requested by the Group.
- 1.1.2 At its most recent assessment in June 2015 the Group reviewed the Target Risk, the risk level where the Council aims to be, and agreed a Current Risk assessment. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix 1**.
- 1.1.3 Part of this assessment included the consideration of the controls and actions in place to address the individual risks. Where Target Risk levels are lower than the Current Risk assessment, further action is either being taken or planned in order to treat the risk and meet the target.
- 1.1.4 Some individual controls or actions have been updated and those that were not ongoing and had been completed by June 2015 have been removed from the register.

1.2 New or Amended Risks

- 1.2.1 There have been no new risks or amendments made to any existing risks since the Strategic Risk Register was last reported to this committee.

1.3 Closed Risks

- 1.3.1 No existing risks have been closed since the Strategic Risk Register was last reported to this committee.

1.4 Reasons for Recommendations

- 1.4.1 The Council's Strategic Plan for 2013/2014, adopted by the Council in February 2014, includes three key priority areas supported by a range of actions to deliver specific outcomes.
- 1.4.2 The West Suffolk Strategic Risk Register identifies and records the level of risk associated with delivering the Council's plans alongside meeting its statutory responsibilities and the organisation's overall ability to respond to change. Through assessment of risk and the likelihood and impact of potential failure to meet these challenges, the level of controls and where possible, action required is identified and implemented.

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West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS1 A	10-Jul-14	Financial	Head of Resources and Performance	Poor financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		1) Monthly monitoring reports (revenue and capital) to budget holders.	Head of Resources & Performance	On-going	On-going	
							2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Head of Resources & Performance	On-going	On-going	
							3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	On-going	On-going	
							4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	On-going	On-going	
							5) New joint financial management system now in place, development of more comprehensive budget planning, monitoring and reporting processes including training for budget holders	Head of Resources & Performance	Apr-15	Dec-15	
							6) Strengthen the overall Performance Management Framework	Head of Resources & Performance	Apr-15	Mar-16	
							7) Monitoring of investment decisions and original business cases targets/outcomes through an Officer group with representatives from Finance and Performance, Legal, Policy, Commercial and Programme Management	Head of Resources & Performance	Feb-15	on-going	
WS1 B	10-Jul-14	Financial	Head of Resources and Performance	Poor financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, localising Council Tax, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		1) Budget preparation for 2016/17 - 2018/19 continues to challenge all six MTFS themes. Proposals include reference to such themes so that scrutiny can take place by LT	LT	On-going	Mar-16	
							2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	On-going	On-going	
							3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Head of Resources and Performance	On-going	On-going	
							4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	On-going	On-going	
							5) Monitor Government statements on future of local government funding	LT	On-going	On-going	
							6) New investment proposals to be considered through the Councils governance and decision making process including challenge by the Officer programme and	LT	On-going	On-going	
WS2	10-Jul-14	Customer	Head of Families & Communities	Maintain and promote our public image, maintain effective communications	Councils being portrayed negatively in the media (including social media) which undermines public trust and confidence. Councils' poor reputation preventing them from entering into positive partnerships with others, or securing funding. Lack of public trust and confidence in the councils that could affect their ability to work WITH communities in achieving the strategic priorities and to achieve behaviour change (e.g. around recycling, channel shift etc.). This could also potentially impact on our ability to recruit staff in competitive market.		1) Monitor media coverage through daily media alerts and, where appropriate, provide a robust response.	Comms Team	On-going	On-going	
							2) Positively engage with social media to disseminate positive stories about West Suffolk and address errors or misrepresentation	Comms Team	On-going	On-going	
							3) Train and support staff and Members in proactive communications and dealing with media.	Comms Team	On-going	On-going	
							4) Deliver a communications work programme which focuses on proactive communications.	Comms Team	On-going	On-going	
							5) Ensure that appropriate communications planning and support are identified for strategic projects.	Comms Team	On-going	On-going	

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West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS3	10-Jul-14	Customer	Head of Families & Communities	Failure to deliver channel shift	Service delivery methods do not meet customer needs or expectations with potential to damage Councils' reputation; customer expectations may need to be more carefully managed in new financial climate; services fail to deliver savings in required time scale or maintain quality; excessive demands on staff time.		1) Continue to develop new web presence with full digital by default capability.	Head of Families & Communities	Oct-14	On-going	
							2) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels.	Service Manager (Corporate Communications)	On-going	On-going	
							3) Continuing development to ensure web site remains fit for purpose.	Head of Families & Communities	Nov-14	On-going	
							4) Anglia Revenues Partnership, (ARP), project to rewrite and redesign website now underway. Customer service support to be provided to ensure there is an effective customer journey.	Head of Families & Communities, Head of Resources and	Jun-15	Mar-16	
WS4	10-Jul-14	Professional	Head of Human Resources, Legal & Democratic Services	Staff retention (professional staff / technical staff). Staff trust and goodwill (morale)	Lack of staff skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workload.		1) Continue to develop corporate training programme in place (including induction) for staff and members	HR Business Partner	On-going	On-going	
							2) To review Workforce/OD Strategy to include recruitment; succession planning; talent management and pay and reward	HR Business Partner	On-going	On-going	
							3) Regular evaluate outcome of Performance Reviews to identify talent management to inform succession planning	Head of HR, Legal and Democratic Services	On-going	On-going	
							4) Consistent and regular communication to staff, including opportunities for feedback. New intranet now rolled out to facilitate this objective.	Service Manager (Corporate Communications)	On-going	On-going	
							5) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel; no significant issues raised. Monitoring period has been realigned to April - March.	Head of HR, Legal & Democratic Services / HR Business Partner	On-going	On-going	
							6) Salary bench marking being undertaken – monitor and determine areas which are becoming increasingly difficult to recruit high calibre of candidates and develop recruitment strategy	Head of HR, Legal and Democratic Services	On-going	On-going	
WS5	10-Jul-14	Political	Chief Executive	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.		1) Understand priorities and expectations through Strategic Plan and MTFS	LT	On-going	On-going	
							2) Develop corporate project plan and assign lead officers and members to the key council projects.	LT	On-going	On-going	
							3) Assign dedicated corporate project resources to lead on the monitoring of the strategic plan	LT	On-going	On-going	
							4) Review and align service and skilled resources available to the strategic plan including communicate resources.	LT	On-going	On-going	
							5) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	Programme Manager	On-going	On-going	

West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS7	10-Jul-14	Technological Financial Customer	Corporate Programme Manager / All HoS	Poor project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		1) Creation of efficient project management framework (led by corporate programme manager).	Programme Manager	On-going	On-going	
							2) Development and ongoing oversight of corporate project plan, to avoid concurrent demands on support services	Programme Manager	Jun-14	On-going	
							3) Training of all staff involved in project work in core project management skills	L&D team	On-going	On-going	
							4) Project support and resources to be included in further project business cases, including ICT support	LT	On-going	On-going	
							5) Better understanding of Corporate capacity / priorities	LT	On-going	On-going	
							6) Maintain a proactive communications strategy	Head of Families & Communities	On-going	On-going	
WS7a	10-Jul-14	Technological	Head of Resources and Performance	ICT integration	Integration of ICT across services and systems not being achieved.		1) Planned alignment of ICT infrastructure and corporate systems through corporate project plan	Infrastructure Support Manager	On-going	On-going	
							2) Planned Business Applications alignment – including, Customer Access solution, Waste Management, GIS system, Agresso Financial Management System (phase 2), Planning Idox System through corporate project plan	Project Managers & Service Manager (ICT)	On-going	Mar-16	
							3) Regular review of both integration programmes through corporate projects plan.	Programme Manager/ LT	On-going	On-going	
							4) Implementation of Integration Tool kit.	Service Manager (ICT)	On-going	On-going	
							5) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff. No tolerance approach adopted.	Infrastructure Support Manager	On-going	On-going	
							6) Development of a West Suffolk Information Strategy and links to the wider public sector integration agenda (Transformation Challenge Award)	Service Manager (ICT)	May-15	Mach 16	
WS8	10-Jul-14	Political Social	Head of Families & Communities	Failure to deliver; Families & Communities agenda	Opportunities being missed to create or influence the provision of: (i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable (ii) people playing a greater role in determining the future of their communities (iii). improved wellbeing, physical and mental health (iv) accessible countryside and green spaces		1) Initial Families & Community Strategy now complete. Continuous development and review of strategy to ensure that it remains fit for purpose.	Service Manager (Families & Communities)	Oct-13	On-going	
							2) Continue to develop the Locality Officers role	Service Manager (Families & Communities)	Apr-15	Mar-15	
							3) Locality budgets available.	Service Manager (Families & Communities)	Oct-13	On-going	
							4) Develop new ways of working with councillors and the Families & Communities team	Service Manager (Families & Communities)	Oct-13	On-going	
							5) Implementation of the new approach to grants	Service Manager (Families & Communities)	Apr-15	Dec-15	

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West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
	(b)		Head of Planning & Growth	Failure to deliver; Growth Agenda inc coping with growth and increase in demand	Opportunities being missed to create or influence the provision of: (i) beneficial growth that enhances prosperity and quality of life (ii) existing businesses that are thriving and new businesses brought to the area (iii) people with the educational attainment and skills needed in our local economy (iv) vibrant, attractive and clean high streets, village centres and markets		1) Developing engagement with the two Local Enterprise Partnerships. Deliver Six Point Plan for Jobs and Growth. Monitoring the local economy. 2) Small budget to support businesses with grants. Business rate income being closely monitored from April 2013 by ARP. Developing Inward Investment strategy. Increase Business engagement 3) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels.	Head of Planning & Growth	On-going	On-going	
	(c)		Head of Housing / Head of Planning & Growth	Failure to deliver; Housing Agenda	Opportunities being missed to create or influence the provision of: (i) sufficient housing for current and future generations, including more affordable homes and improvements to existing housing (ii) new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing (iii) homes that are flexible for people's changing needs		1) West Suffolk Housing strategy adopted, implementation of agreed Action Plan, with annual monitoring 2) Sub-regional Strategic Housing Market Assessment completed 2008 to identify levels of need, with annual updates and reviews. 3) Local Investment Plan 2014-18 approved by HCA, now working with RP partners to deliver. Quarterly monitoring of plan and annual review. 4) West Suffolk Choice Based Lettings Scheme regularly reviewed to reflect changes in legislation. Scheme re-tendered June 2015, with new system fully operational by April 2016. 5) Review of the West Suffolk Lettings Partnership scheme in securing tenancies in the private sector. 6) Disabled Facilities Grants process and Home Improvement Agency contract reviewed with partners in order to introduce a more co-ordinated and integrated service across agencies - tender process to be completed July 2015, new service to be introduced Sept 2015 7) Countywide Supported Housing register project to improve allocation and management of specialist housing needs countywide. Phase 1 to be completed Sept 15, with Phase 2 completed April 16	Head of Housing Head of Housing Head of Housing Service Manager (Housing Options) Service Manager (Housing Options) Service Manager (Housing Standards) Housing Business & Partnerships Manager	Oct-14 On-going On-going Apr-14 Sep-14 Apr-14 May-15	Apr-18 On-going Apr-18 Apr-16 Mar-16 Sep-15 Apr-16	

West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk

West Suffolk Strategic Risk Register 2014/15 - June 2015

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RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS11	10-Jul-14	Economic Financial Competitive	Chief Executive / Directors	Failure to adapt to new public sector models, explore opportunities with partners	West Suffolk fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration.		1) Keep a watching brief on, and disseminate information on new funding models and opportunities through DCLG, RSN, LGA, EELGA etc. 2) Maintain good relationships with public sector partners, e.g. CCG, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working. 3) Robust business cases for identified opportunities 4) Keeping a watching brief on the new/changing National policies on the Devolution agenda with Suffolk colleagues	Policy Team Chief Executive and Directors LT Chief Executive and Directors	On-going On-going On-going On-going	On-going On-going On-going On-going	
WS12	10-Jul-14	Partnership	Head of Planning & Growth	Loss of a key employer (for example USAFE, Racing Industry, Greene King, WS Hospital, Centre Parcs, British Sugar)	Failure to retain major employers in the area and the economic impact that it would have		1) Liaison with the key employers to understand issues and opportunities by: coordinating and attending the West Suffolk Business Forum; organising the West Suffolk Business Festival (which provides opportunities for engagement with key employers); arranging visits to key employers for Leadership Team; promoting the ED team as a key point of contact for businesses and as a result responding to concerns and issues raised; and meeting and supporting business leaders in conjunction with the New Anglia Local Enterprise Partnership Growth Hub advisors. 2) Ensuring there is sufficient employment land / premises for expansion. 3) Understand skills shortage and requirements by linking business to education providers and encourage business to take on apprentices. 4) Help businesses access third party funding. 5) Further development of the six point jobs and growth plan 6) In the worst case scenario the ED team liaises with key partners such as Job Centre Plus and West Suffolk College to mitigate the impact of downsizing/restructuring.	Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth	On-going On-going On-going On-going On-going	On-going On-going On-going On-going On-going	
WS13	10-Jul-14	Partnership Financial	Directors	Partner / Public Sector failure	Partners or partnerships failing; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		1) Robust SLA arrangements in place. 2) Regular monitoring of arrangements / outcomes. 3) Regular meetings with key partners, including fortnightly Suffolk CEO meetings to discuss impact and potential response of the Suffolk wide system. 4) Ensure effective engagement in the Transformation Challenge Award	All HoS All HoS All HoS CEO and LT	On-going On-going On-going On-going	On-going On-going On-going On-going	

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WS14	10-Jul-14	Physical Social Legal	Director	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	<p>Probability</p> <p>Impact</p>	1) Each service needs to have sufficient cross-trained staff to be able to continue essential services delivery in the event of an unexpected staff shortage. 2) Services must have a workable Business Continuity Plan arrangements in place. 3) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised. 4) Appointed officers within each service to be responsible for the continuity plans.	Heads of Service / Service Managers Heads of Service/All staff LT Heads of Service / Appointed Officers	On-going On-going On-going On-going	On-going On-going On-going On-going	<p>Probability</p> <p>Impact</p>

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WS16	10-Jul-14	Legal	Director	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data.		1) Information governance group coordinates councils' approach to risks 2) Records Management Working Group to coordinate councils' approach to records management 3) Regular buildings checks to ensure information is held securely. 4) Reviewed building access arrangements at WSH. New security access barriers to be placed at the staff entrance, entrance to the first floor and access point from Reception to Café West. 5) Improve staff and member communication on good practices and data security 6) Information Security e-learning - 1st phase, existing officers, completed. All new staff and members to complete module as part of induction programme.	Director Director Service Manager (Internal Audit) Service Manager (Property Services) Service Manager (Corporate Communications) Director	On-going On-going On-going Aug-14 On-going Apr-14	On-going On-going On-going Dec-15 On-going On-going	
WS18	10-Jul-14	Customer Financial Professional	Head of Resources & Performance	Poor Performance Management	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report 2) Early identification, reporting and monitoring of potential problem areas. 3) Strengthen the overall Performance Management Framework- introduction of the Balanced Scorecard as a performance management tool	Head of Resources & Performance / R&P Business Service Managers / Business Partners / Advisers Head of Resources & Performance	On-going On-going Apr-15	On-going On-going Mar-16	
WS19	10-Jul-14	Economic Social	All HoS	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future service planning 2) Monitor, research and analysis around demographics through DCLG, ONS, LGA, LGC and other sources and share key findings with relevant services. 3) Attend meetings of Suffolk Information Forum and Transformation Challenge Award Data and Intelligence work stream to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to Forest Heath due to population forecasts not being able to deal accurately with USAFE population.	Head of Housing/ Planning & Growth/Operations Policy Team Policy Team	On-going On-going On-going	On-going On-going On-going	

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West Suffolk Strategic Risk Register 2014/15 - June 2015

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS20	10-Jul-14	Physical	Head of Human Resources, Legal & Democratic Services	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff. Failure to provide safe and healthy environment for visitors and the general public. Risk of corporate manslaughter charges.		1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council.	Health & Safety Manager	On-going	On-going	
							2) Full-time H&S Manager leading this work.	Health & Safety Manager	On-going	On-going	
							3) Well being programme in place.	Health & Safety Manager	On-going	On-going	
							4) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme.	Health & Safety Manager	On-going	On-going	
							5) Communications to staff.	Health & Safety Manager	On-going	On-going	
							6) Appropriate insurances in place and regularly reviewed.	Health & Safety Manager	On-going	On-going	
							7) Continue a programme of health and safety audits according to H&S Risk	Health & Safety Manager	On-going	On-going	
WS21	10-Jul-14	Social Legal	Head of Housing	Safeguarding children and vulnerable adults	Children and vulnerable adults being treated in an improper manner and not in accordance with legislation.		1) Working in Countywide safeguarding partnership.	Head of Housing	On-going	On-going	
2) Safe recruitment procedures are adopted for all staff recruitment.	Head of HR, Legal & Dem Services	Jul-09	On-going								
3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme	Head of Housing / HR, Legal & Dem Services	On-going	On-going								
4) Operational links into the MASH to be reviewed to ensure appropriate referrals are being made.	Head of Housing	Jul-15	Sep-15								
WS22	21-Apr-15	Economic and social	Chief Executive	Effects of the closure of RAF Mildenhall	Negative impact on the local economy, families and community or the housing market		1) Attend and play an active role in meetings of the Government-led Mildenhall, Alconbury and Molesworth Working Group as representatives of the community and local businesses	Chief Executive	Feb-15	On-going	
							2) Co-ordinate and lead the Forest Heath member-led local Mildenhall and Lakenheath Airbases Group	Chief Executive	Mar-15	On-going	
							3) Commission an impact study to measure the impact of the USAFE on West Suffolk and the surrounding areas	Head of Planning and Growth	Apr-15	On-going	
							4) Work with external partners (including USAFE and UK Military) and internal departments to consider the actions to mitigate the impact of the net loss in USAFE personnel and also to consider opportunities for the RAF Mildenhall site in the context of the Government's One Public Estate Programme.	Chief Executive	On-going	On-going	
							5) Hold engagement sessions with representatives from local businesses, housing organisations and the community to discuss the effects of the closure of RAF Mildenhall. Communicate with these groups throughout the project	Chief Executive	Feb-15	On-going	

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Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	Work Programme Update	
Report No:	PAS/FH/15/019	
Report to and date:	Performance and Audit Scrutiny Committee	30 July 2015
Chairman of the Committee:	Colin Noble Chairman of the Performance and Audit Scrutiny Committee Tel: 07545 423795 Email: colin.noble@forest-heath.gov.uk	
Lead officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	
Purpose of report:	<p>1. Members are asked to consider and note the current status of its Work Programme attached at Appendix 1(A).</p> <p>2. Attached at Appendix 1(B), for information is the current position of the Work Programme for St Edmundsbury Borough Councils Performance and Audit Scrutiny Committee.</p>	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>It is <u>RECOMMENDED</u> that:</p> <p>Members consider and <u>note</u> the current status of its Work Programme.</p>	

Performance and Audit Scrutiny Committee Work Programme (Forest Heath District Council)

Description	Lead Officer
24 September 2015 (Time: 6.00pm)	
EY – Presentation of 2014-2015 ISA 260 Annual Governance Report to those Charged with Governance	Head of Resources and Performance
Annual Governance Statement 2014-2015	Head of Resources and Performance
2014-2015 Statement of Accounts	Head of Resources and Performance
Annual Corporate Environmental Statement 2014-2015	Environment Manager
Work Programme Update	Scrutiny Officer
25 November 2015 (Time: 5.00pm) Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2015/16	Service Manager (Internal Audit)
Balanced Scorecard and Quarter 2 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Sept 2015	Service Manager (Finance and Performance)
Biannual Corporate Complaints and Compliments Report	Head of Families and Communities
Work Programme Update	Scrutiny Officer
Forest Heath Specific Reports	
EY- Presentation of Annual Audit Letter (2014-2015)	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 and Budget Consultation Results	Head of Resources and Performance
Mid-year Treasury Management Performance Report and Investment Activity (April – Sept 2015)	Service Manager (Finance and Performance)

28 January 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Balanced Scorecard and Quarter 3 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Dec 2015	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
Forest Heath Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 Update	Head of Resources and Performance
Treasury Management Report 2015/16 – Investment Activity 1 April to 31 Dec 2015	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2016/17	Service Manager (Finance and Performance)
27 April 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Internal Audit Annual Report (2015-16) and Outline Internal Audit Plan (2016-17)	Internal Audit Manager
Balanced Scorecard and Quarter 4 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – March 2016	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
Forest Heath Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 4 – 2015-16	Head of Resources and Performance

Future Items to be Programmed

- 1) Key Performance Indicator (WS/HOU009) – Report on the Future of the West Suffolk Lettings Partnership

Performance and Audit Scrutiny Committee Work Programme (St Edmundsbury Borough Council)

Description	Lead Officer
23 September 2015 (Time: 4.30pm)	
EY – Presentation of 2014-2015 ISA 260 Annual Governance Report to those Charged with Governance	Head of Resources and Performance
Annual Governance Statement 2014-2015	Head of Resources and Performance
2014-2015 Statement of Accounts	Head of Resources and Performance
Work Programme Update	Scrutiny Officer
25 November 2015 (Time: 5.00pm) Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2015/16	Service Manager (Internal Audit)
Balanced Scorecard and Quarter 2 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Sept 2015	Service Manager (Finance and Performance)
Biannual Corporate Complaints and Compliments Report	Head of Families and Communities
Work Programme Update	Scrutiny Officer
St Edmundsbury Specific Reports	
EY- Presentation of Annual Audit Letter (2014-2015)	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 and Budget Consultation Results	Head of Resources and Performance
Car Park Tariffs 2016-2017	Head of Operations
Mid-year Treasury Management Performance Report and Investment Activity (April – Sept 2015)	Service Manager (Finance and Performance)

28 January 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Balanced Scorecard and Quarter 3 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Dec 2015	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
St Edmundsbury Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2015-16	Service Manager (Resources and Performance)
Delivering a Sustainable Budget 2016-2017 Update	Head of Resources and Performance
Treasury Management Report 2015/16 – Investment Activity 1 April to 31 Dec 2015	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2016/17	Service Manager (Finance and Performance)
27 April 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Internal Audit Annual Report (2015-16) and Outline Internal Audit Plan (2016-17)	Internal Audit Manager
Balanced Scorecard and Quarter 4 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – March 2016	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
St Edmundsbury Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 4 – 2015-16	Head of Resources and Performance

Future Items to be Programmed

- 1) Key Performance Indicator (WS/HOU009) – Report on the Future of the West Suffolk Lettings Partnership

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Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Financial Performance Report (Revenue and Capital) Quarter 1 – 2015-2016	
Report No:	PAS/FH/15/020	
Report to and dates:	Performance and Audit Scrutiny Committee	30 July 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the Financial Performance for the first quarter of 2015-16 and forecasted outturn position for 2015-16.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to <u>note</u> the 2015-2016 year end forecast financial position and forward any relevant issues or comments to Cabinet for their consideration.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:		<ul style="list-style-type: none"> This report and the figures therein have been compiled by the Finance team in consultation with the relevant budget holders, services and Leadership Team. 	
Alternative option(s):		<ul style="list-style-type: none"> In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. 	
Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> As set out in the body of this report. 	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> As outlined in the body of this report. 	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Budget variances	High	Clear responsibilities for budget monitoring and control ensure that there is strong accountability for each individual budget line. Budget monitoring is undertaken on a monthly basis with budget holders and reported to Leadership Team quarterly.	Low
Wider economic situation around income levels	High	Budgets reflect the economic situation facing the Council, and have been scrutinised by officers and members at budget setting time. Continue to monitor areas closely to ensure assumptions remain reasonable.	Medium
Capital investment plans continue to be affordable, prudent and sustainable	Medium	Prudential Indicators are in place to safeguard the Council	Low

Treasury Management	Medium	Treasury Management Policy and Procedures are in place	Low
Fluctuation in Business rate retention yield	High	Work with ARP to understand the variance to deliver a realistic forecast.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		<p>Appendix A – Revenue budget summary, for the period April to June 2015.</p> <p>Appendix B – Revenue budget detail, for the period April to June 2015.</p> <p>Appendix C – Capital budget summary, for the period April to June 2015.</p> <p>Appendix D – Earmarked Reserves for 2015/16</p>	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 This is the first quarter financial monitoring report, whilst it is still early in the year we have included outturn figures for large variance items we are aware of. We will continue to monitor the position throughout the year and will update members any change to this position at the next PASC meeting.
- 1.1.2 Details of the Council's revenue performance and year end forecasted outturn position can be found in **Appendix A** and **B**. Explanations of the main year end forecast over/(under) spends can be found in the table at 1.3.1.
- 1.1.3 The Council's capital financial position for the first three months of 2014/2015 shows expenditure of £1,235,000. Further details are provided in **Appendix C**.
- 1.1.4 A summary of the earmarked reserves can be found at **Appendix D** along with the forecast year end position for 2015/16.

1.2 Revenue Performance

- 1.2.1 The current forecast position for the year end is expected to be on budget. Explanations of the main year end forecast over / (under) spends can be found in the table at 1.3.1 below. Budget holders are currently identifying a small amount of in year savings, predominately from supplies and service budgets, to contribute towards achieving this year end position.
- 1.2.2 Members are requested to note the current position and the significant variances as outlined in the paragraphs below. Budget holders will continue to work with Resources Business Partners and Business Support Advisors and an updated outturn position will be provided to this committee in November.

Commentary on Significant Revenue Performance Variances

- 1.3.1 Significant year end forecast variances are explained in the table below.

Year end forecast variance: Over / (under) spend	Explanation
(£50,000)	Higher than anticipated planning fee income.
(£25,000)	Additional income from trade waste fees.
£56,000	Building control income underachievement, coupled with additional costs associated with changes in the staffing structure to ensure service delivery.
£100,000	Less income expected to be received from Flagship as part of the VAT Shelter Agreement. Projections from Flagship used in the 2015/16 budget process are now not expected to materialise at the level anticipated.
(£91,000)	In-year savings predominately from supplies and services and increased income.

1.3 **Capital Position**

1.3.1 The table below is a high level summary of capital expenditure against budget for 2014/15. Further details by capital project can be found at **Appendix C**. The Resources Team will continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an updated position will be presented to this committee on a quarterly basis.

Service Area	2015/16 Original Budget incl carry forwards £000s	Spent to 30 June 2015 £000s
Families and Communities	170	0
Housing	1,095	31
Resources and Performance	9,241	1,108
Planning and Growth	687	2
Operations	2,675	94
TOTAL	13,868	1,235

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Summary by Head of Service

Appendix A

Head of Service	Budget to Date £	Actual to Date £	Over/ (Under) Spend to Date £	Y/E Forecast Variance £
Head of Resources & Performance	1,195,259	1,227,330	32,071	9,000
Head of Human Resources & Democratic Services	209,860	213,660	3,800	0
Head of Families and Communities	242,975	268,904	25,929	0
Head of Planning and Growth	144,400	169,141	24,741	6,000
Head of Operations	503,810	533,514	29,704	(15,000)
Head of Housing	145,791	137,879	(7,912)	0
TOTALS:	2,442,095	2,550,428	108,333	0
Interest Receivable	(94,875)	(104,624)	(9,749)	0
Interest Payable	(42,400)	(42,400)	0	0
Minimum Revenue Provision	0	0	0	0
TOTALS:	2,347,220	2,445,804	98,584	0

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Forest Heath District Council					2015/16 Q1 Budget Monitoring Report	
Detail by Head of Service					Appendix B	
LT01 HEAD OF RESOURCES & PERFORMANCE						
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
1000	Resources & Performance	85,804	88,662	2,858	0	
1090	Grants to Organisations	84,000	84,238	238	0	
8000	General Fund Adjustments	644,314	724,449	80,135	0	Difference between budget and NNDR1 is £59,000. This will be funded from BRR Equalisation Reserve. The final variance may change and only the outturn position will be funded from the reserve.
Resources & Performance:		814,118	897,349	83,231	0	
1001	Internal Audit	20,670	17,351	(3,319)	0	
Internal Audit:		20,670	17,351	(3,319)	0	
1002	ICT	133,521	133,023	(498)	0	
ICT:		133,521	133,023	(498)	0	
1010	Anglia Revenues Partnership	187,629	211,575	23,946	0	
1012	Council Tax Administration	(88,916)	(104,816)	(15,900)	0	
1013	Business Rate Administration	(22,254)	(22,361)	(107)	0	
4090	Housing Benefits	(51,436)	(92,290)	(40,854)	0	Expected to be on budget at year end
Anglia Revenues Partnership:		25,023	(7,892)	(32,915)	0	
1100	Corporate Expenditure	200,703	219,675	18,972	9,000	£100k less income expected to be received from Flagship as part of the VAT shelter agreement. £91k in year savings to be identified corporately predominately from supplies & services and increased income.
1150	Non-Distributed Costs	0	(33,423)	(33,423)	0	
Corporate Expenditure:		200,703	186,252	(14,451)	9,000	
1020	Emergency Planning	1,224	1,246	22	0	

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
	Emergency Planning:	1,224	1,246	22	0	
	TOTALS: RESOURCES & PERFORMANCE	1,195,259	1,227,329	32,070	9,000	
LT02	HEAD OF HR & DEMOCRATIC SERVICES					
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
1030	Human Resources & Payroll	39,612	49,150	9,538	0	
	Human Resources:	39,612	49,150	9,538	0	
1032	Health & Safety	12,552	12,304	(248)	0	
	Health & Safety:	12,552	12,304	(248)	0	
1031	Central Training Services	15,480	11,932	(3,548)	0	
	Learning & Development:	15,480	11,932	(3,548)	0	
1040	Legal Services	35,739	43,667	7,928	0	
	Legal Services:	35,739	43,667	7,928	0	
1130	Democratic Services	25,212	23,216	(1,996)	0	
1131	Members Allowances & Expenses	51,468	51,019	(449)	0	
1132	Mayoralty & Civic Functions	750	4,081	3,331	0	
	Democratic Services:	77,430	78,316	886	0	
1041	Electoral Registration	20,241	(2,256)	(22,497)	0	
1042	Election Expenses	8,806	20,548	11,742	0	
	Elections:	29,047	18,292	(10,755)	0	
	TOTALS: HR & DEMOCRATIC SERVICES	209,860	213,661	3,801	0	
LT03	HEAD OF FAMILIES & COMMUNITIES					

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
1140	Policy	25,067	24,520	(547)	0	
1142	Website and Intranet	5,388	8,053	2,665	0	
	Policy:	30,455	32,573	2,118	0	
1141	Communications	19,182	17,740	(1,442)	0	
	Communications:	19,182	17,740	(1,442)	0	
1050	Customer Services	91,830	91,848	18	0	
3100	Bus Stations	18,715	26,486	7,771	0	
	Customer Services:	110,545	118,334	7,789	0	
2041	Sports Development & Community Recreation	0	577	577	0	
2080	Community Development	44,456	42,429	(2,027)	0	
2081	Community Chest - Families & Communities	25,226	49,265	24,039	0	Expected to be on budget at year end
2082	Health, Culture & Arts	10,377	1,978	(8,399)	0	
2085	Community Centres	2,734	6,008	3,274	0	
	Families & Communities:	82,793	100,257	17,464	0	
	TOTALS: FAMILIES & COMMUNITIES	242,975	268,904	25,929	0	
LT04	HEAD OF PLANNING & GROWTH					
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
5000	Development Control	(142,707)	(158,942)	(16,235)	(50,000)	Higher than anticipated income against budget
	Development Control:	(142,707)	(158,942)	(16,235)	(50,000)	
5005	Planning Policy	172,465	164,770	(7,695)	0	
5006	Local Plan	1,848	41,091	39,243	0	Expected to be on budget at year end
	Place Shaping:	174,313	205,861	31,548	0	

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
1060	Land Charges	(18,468)	(16,565)	1,903	0	
5010	Building Control	(2,004)	8,311	10,315	56,000	Lower than anticipated income, along with additional costs associated with changes in the staffing structure to support service delivery.
5015	Planning & Regulatory Support	41,214	40,646	(568)	0	
Business (BC & Support):		20,742	32,392	11,650	56,000	
3090	Prevention of Pollution	3,501	6,644	3,143	0	
3091	Environmental Management	14,313	5,492	(8,821)	0	
3092	Drinking Water Quality	7,122	5,626	(1,496)	0	
3093	Climate Change	528	(9,110)	(9,638)	0	
4020	Home Energy Conservation	978	1,675	697	0	
Environment:		26,442	10,327	(16,115)	0	
3095	Licensing	(765)	(1,437)	(672)	0	
3096	Hackney Carriage & Private Hire Licensing	(12,303)	(12,436)	(133)	0	
3097	Food Safety	8,865	10,314	1,449	0	
3098	Health & Safety at Work Act/Enforcement	15,222	10,999	(4,223)	0	
Business Reg & Licensing:		11,019	7,440	(3,579)	0	
5020	Economic Development & Growth	42,207	64,063	21,856	0	
5021	Strategic Tourism & Markets	9,069	4,823	(4,246)	0	
5024	Vibrant Town Centres	3,315	3,177	(138)	0	
Economic Development & Growth:		54,591	72,063	17,472	0	
TOTALS: PLANNING & GROWTH		144,400	169,141	24,741	6,000	
LT05	HEAD OF OPERATIONS					
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
3006	Pool Cars	0	2,536	2,536	0	
Fleet Management:		0	2,536	2,536	0	
3000	Depots	229,182	223,821	(5,361)	0	

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
3065	Waste & Cleansing Operatives	(36,278)	(22,769)	13,509	(20,000)	Vehicle fuel lower than budgeted
6020	Markets	15,261	19,689	4,428	15,000	Market toll fees expected to be less than budgeted
Operational:		208,165	220,741	12,576	(5,000)	
3030	Street Cleansing	114,615	110,678	(3,937)	0	
3040	Refuse Collection (Black Bin)	88,803	86,581	(2,222)	0	
3041	Recycling Collection (Blue Bin)	46,920	34,623	(12,297)	0	
3042	Compostable Collection (Brown Bin)	33,324	43,841	10,517	0	
3043	Bulky, Fridges, Metal & Scrap Collection	7,470	8,688	1,218	0	
3044	Clinical & Hazardous Waste Collection	690	699	9	0	
3045	Multi-Bank Recycling Sites	7,189	(1,756)	(8,945)	0	
3048	Trade Waste	(387,120)	(399,912)	(12,792)	(25,000)	Additional trade waste income
Waste - Business & Commercial		(88,109)	(116,558)	(28,449)	(25,000)	
1080	Property Services	68,778	93,902	25,124	0	
Property Maintenance:		68,778	93,902	25,124	0	
1081	Estates Management	0	(926)	(926)	0	
6000	Industrial & Business Units	(95,621)	(107,264)	(11,643)	0	
6010	Town Centres & Shops	(128,913)	(135,243)	(6,330)	0	
Property Management:		(224,534)	(243,433)	(18,899)	0	
1072	Offices: College Heath Road	12,066	23,908	11,842	0	
1073	Offices: Brandon & Newmarket Guineas	7,832	9,585	1,753	0	
1075	Courier & Postal Service	15,294	12,043	(3,251)	0	
1076	Printing & Copying Service	6,597	10,807	4,210	0	
3020	Public Conveniences	23,940	18,850	(5,090)	0	
3070	District Highways Services	(5,922)	5,385	11,307	0	
3072	Land Drainage & Associated Works	65,150	65,160	10	0	
Facilities & Highways Services:		124,957	145,738	20,781	0	
3025	CCTV	250	801	551	0	
3026	Green Travel Plan	0	(699)	(699)	0	
CCTV & Support:		250	102	(148)	0	
3110	Off Street Car Parks	8,696	41,276	32,580	0	

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
Car Parking:		8,696	41,276	32,580	0	
2000	Leisure Services Management & Support	21,948	12,635	(9,313)	0	
2017	Arboriculture (Tree Maintenance Works)	27,111	12,833	(14,278)	0	
2020	Other Parks and Play Provision	49,068	53,657	4,589	0	
2025	Children's Play Areas	10,935	6,190	(4,745)	0	
2040	Sports & Leisure Centres	278,248	281,209	2,961	0	
2083	Leisure & Sports	10,377	0	(10,377)	0	
Leisure & Cultural - Parks		397,687	366,524	(31,163)	0	
2030	Arts, Heritage & Cultural Services	2,646	2,353	(293)	0	
2070	Tourist Information Centres	(963)	0	963	0	
2071	Shopmobility	(375)	0	375	0	
2095	Palace House and Stables	0	14,826	14,826	15,000	One-off payment for business rates, which was not budgeted for. Link to Home of Horseracing Project.
Leisure & Cultural - TIC & Heritage:		1,308	17,179	15,871	15,000	
2090	The Pavilion - Lady Wolverton Playingfield	(2,148)	(2,060)	88	0	
Leisure & Cultural - Public Halls:		(2,148)	(2,060)	88	0	
2010	Leisure Promotion	8,760	7,563	(1,197)	0	
Commercial - Marketing:		8,760	7,563	(1,197)	0	
TOTALS: OPERATIONS		503,810	533,510	29,700	(15,000)	
LT06	HEAD OF HOUSING					
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Y/E Forecast Variance £	Year End Forecast Variance Notes
4021	Housing Renewals	31,833	15,428	(16,405)	0	
4031	Burial of the Dead	(6,033)	2,131	8,164	0	
4032	Gypsies & Travellers	(579)	2,436	3,015	0	
4033	Other Public Health Services	28,479	33,356	4,877	0	

Forest Heath District Council						2015/16 Q1 Budget Monitoring Report
Detail by Head of Service						Appendix B
	Public Health & Housing:	53,700	53,351	(349)	0	
4000	Housing Development & Strategy	17,541	15,884	(1,657)	0	
	Housing Development & Strategy:	17,541	15,884	(1,657)	0	
4010	Homelessness	18,930	11,685	(7,245)	0	
4011	Housing Advice & Choice Based Lettings	33,456	36,158	2,702	0	
4015	Non-HRA Housing Properties	2,712	2,524	(188)	0	
	Housing Options:	55,098	50,367	(4,731)	0	
4005	Housing Business & Partnerships	19,452	18,276	(1,176)	0	
	Housing Business & Partnerships:	19,452	18,276	(1,176)	0	
	TOTALS: HOUSING:	145,791	137,878	(7,913)	0	

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Capital Monitoring - April 2015 - June 2015

Project Description	2014-15 Actual Spend	2015-16 Original Budget incl c/fwds	2015-16 Actual Spend to Date	2015-16 Year End Forecast Variance Over / (Under)	Notes
Home of Horseracing Project	4,377,141	8,640,859	1,109,792	0	Scheme progressing
Flagship - 3 Play Areas	125,189	16,701	(13,181)	0	Works almost complete.
Mildenhall S Pool Fitness Project	0	10,862	0	0	
St. Johns Improvement Scheme	333,750	0	0	0	
Guineas CP Security enhancements	33,211	0	0	0	Enhancements to the car park security, funded from S106.
Sam Alper Industrial Development	11,859	1,513,141	12,899	0	Scheme not yet started, tenders have just been returned. Some expenditure may slip into 2016/17.
Omar Site - Brandon	20,538	0	0	0	Car park, access road and fencing works. Variation to lease which will allow a return on investment to the Council.
Vehicle & Plant Purchases	82,600	134,400	16,400	0	
Playground Improvements	0	60,000	0	0	The two play areas which are scheduled to be refurbished this year are Hodgekins Yard (£30K) and Lady Wolverton (£30K). Schemes are currently been drawn together with a view to the work being carried out in Quarters 3 & 4.
Historic Buildings Grant	2,380	41,540	20	0	
Mildenhall Museum Grant	95,399	127,760	0	0	All activities are now complete. Final claim and payment to be made.
Red Lodge Millennium Centre Improvement Grant	60,394	0	0	0	
Private Sector Disabled Facilities Grants	249,537	250,000	24,967	0	Expected to spend full budget for year.
Private Sector Renewal Grants	138,710	340,000	5,910	0	Expected to spend full budget for year.
Asset Management Plan					
Leisure Centre Brandon	111,881	58,119	21,714	(36,405)	Scheme now complete
Swimming Pool Mildenhall	0	250,000	0	(250,000)	Contingency budget to deal with major plant failure.
Leisure Centre Newmarket	0	150,000	0	0	Main roof renewal, likely to happen this financial year.
Car Park Guineas Multi-storey	0	60,000	0	0	
Flowerpot Brandon	0	50,000	0	0	
St Johns Close Mildenhall Shops	71,197	40,303	58,612	18,309	Scheme Complete
Valley Way Newmarket Shops	0	60,000	0	0	Scheme design progressing
Mildenhall Gym - Relocation	105,932	0	2,530	2,530	Approved at FHDC Cabinet, report CAB14/156. Funded from Invest to Save reserve.
Putney Close Roofing	204,387	0	(5,110)	0	Scheme Complete
Brandon Leisure Centre PV Extension	121,032	0	750	750	Scheme Complete
Newmarket Leisure Centre PV Extension	124,060	0	1,250	1,250	Scheme Complete

FHDC 5 Year Capital Programme Report

Project Description	2014-15 Actual Spend	2015-16 Original Budget incl c/fwds	2015-16 Actual Spend to Date	2015-16 Year End Forecast Variance Over / (Under)	Notes
Putney Close Solar PV Installation	83,306	5,602	0	0	
Gregory Road Solar PV Installation	0	91,000	0	0	
Guineas Car Park Energy Efficient Lighting	0	75,000	0	0	Order placed for this scheme
Strategic Plan					
Wellington Street Newmarket - Wider Pedestrianisation Scheme	0	150,000	0	0	
Housing Strategy	0	100,000	0	0	
Feasibility Studies	0	100,000	0	0	
Invest to Save Projects	0	500,000	0	0	
Rent-a-roof	0	540,000	0	0	
Shared Service - Capital Requirements					
Idox Uniform System	18,000	8,999	0	0	
Shared Financial System - Agresso	5,850	0	(2,210)	0	Phase 1 - System implementation is complete
CRM Project	49,989	41,961	0	0	Project progressing, spend profile according to Customer Access Business Case. Project on target to be completed by March 2016.

FHDC 5 Year Capital Programme Report

Project Description	2014-15 Actual Spend	2015-16 Original Budget incl c/fwds	2015-16 Actual Spend to Date	2015-16 Year End Forecast Variance Over / (Under)	Notes
PENDING ITEMS					
Affordable Housing	0	405,000	0	0	Linked to initial feasibility works for Council owned housing company. Also to acquire some temporary accomodation properties as part of the homelessness strategy.
The range and delivery of options contained in the housing strategy document	0	0	0	0	£3m of pending budget sitting in 2016/17 financial year
Mildenhall Hub	0	46,500	0	(46,500)	£2.95m of pending budget for scheme in 2016/17 financial year.
	6,426,342	13,867,747	1,234,342	(310,066)	

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2015-16 - Q1 Earmarked Reserve Monitoring

Reserve Details	As Per Budget Report			2015/16 Forecast Closing Balance	2015/16 Forecast Variance (Under) / Over spent	Notes
	2015/16 Opening Balance	2015/16 Budgeted Movement	2015/16 Budgeted Closing Balance			
	4,175,571	1,008,662	5,184,233	5,184,233	0	Assumed to be on track, however, potential to have some under spend on capital projects which are due to be funded from this reserve.
Strategic Priorities and MTFs						
Invest to Save Reserve	438,263	0	438,263	388,263	50,000	Funding linked to invest to save projects identified in year.
Risk/Recession Reserve	552,841	(11,000)	541,841	541,841	0	
BRR Equalisation Reserve	209,852	(123,000)	86,852	28,142	58,710	Difference between Budget and NNDR1 to be financed from this reserve.
Self Insured Fund	61,069	0	61,069	50,000	11,069	Funding of insurance excesses
Computer & Telephone Equipment Reserve	139,111	35,000	174,111	174,111	0	
HB Equalisation Reserve	106,134	0	106,134	106,134	0	
Professional Fees Reserve	0	35,000	35,000	35,000	0	
Single Regeneration Board	24,000	0	24,000	24,000	0	
ARP Reserve	315,425	0	315,425	315,425	0	
Vehicle & Plant Renewal Fund	1	80,000	80,001	80,000	0	
Wheeled Bins	27,398	0	27,398	27,398	0	
BR-Building Repairs Reserve - Other	225,508	0	225,508	0	225,508	Potential for repairs & maintenance to include full usage of this reserve in 2015/16.
Car Park Development Fund	98,569	0	98,569	98,569	0	
Public Cleansing Reserve	46,477	0	46,477	46,477	0	
Commuted Maintenance Reserve	546,069	(5,000)	541,069	541,069	0	
Newmarket Stallion Reserve	27,538	0	27,538	17,538	10,000	£10K likely to be used for the repair of the stallion in 2015/16.
Teal & Woodcock Reserve	1,419	0	1,419	0	1,419	
Rural Sports & Recreation Reserve	49,999	0	49,999	36,689	13,310	To fund Indoor Sports & Play Pitch Strategy and payment to Sport England.
S106 Red Lodge Community Development Officer	0	0	0	0	0	
ECDC/FHDC Voluntary Grants	2,514	(2,514)	0	0	0	
Communities against Drugs Reserve	30,000	(5,000)	25,000	25,000	0	
Planning Reserve	67,800	(11,750)	56,050	56,050	0	
Building Regulations Charging Reserve	1	0	1	0	1	
Planning Delivery Grant	94,716	(16,399)	78,317	78,317	0	
Local Land Charges Reserve	4,466	0	4,466	4,466	0	
Planning Policy Statement Climate Change	28,293	(12,857)	15,436	15,436	0	
S106 Monitoring Officer Reserve	107,747	4,235	111,982	75,000	36,982	Additional costs associated with S106 monitoring due to legislation changes, management currently reviewing options so financial position may improve.
Implementing Smoke Free Legislation	7,758	(7,758)	0	0	0	
Economic Development Reserve (LABGI)	45,824	(2,000)	43,824	43,824	0	
Homelessness Legislation Reserve	127,736	(8,350)	119,386	119,386	0	
S106 Revenue Reserve	144,667	0	144,667	144,667	0	
Election Reserve	50,807	(12,716)	38,091	38,091	0	
Staff Training Reserve	22,582	(22,582)	0	0	0	

2015-16 - Q1 Earmarked Reserve Monitoring

Reserve Details	As Per Budget Report			2015/16 Forecast Closing Balance	2015/16 Forecast Variance (Under) / Over spent	Notes
	2015/16 Opening Balance	2015/16 Budgeted Movement	2015/16 Budgeted Closing Balance			
Forest Heath Totals	7,780,155	921,971	8,702,126	8,295,126	407,001	

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Annual Treasury Management Report 2014/15	
Report No:	PAS/FH/15/021	
Report to and date/s:	Performance and Audit Scrutiny Committee	30 July 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources, Governance and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To present the Council's Annual Treasury Management Report summarising the investments activities for the year 2014/15	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>It is RECOMMENDED that:</p> <p>(1) the Annual Treasury Management Report be noted; and,</p> <p>(2) the Annual Treasury Management Report 2014-2015, attached as Attachment 1, be recommended to Cabinet and Council for approval.</p>	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> Treasury management activities are undertaken in consultation with CDCM/Tradition (the Council's appointed brokers for longer term investments) and also takes into account information obtained from other investment brokers and economic commentators. Any changes in strategies and policies are subject to approval by the Head of Resources and Performance, Cabinet and full Council.
Alternative option(s):	<ul style="list-style-type: none"> Options for the management of Council investments are formally considered within the Annual Treasury Management and Investment Strategy. This includes key strategies in respect of the Council's borrowings, the continuation of in-house management of funds and the approach to be adopted in establishing the credit worthiness of potential counterparties. The changing nature of the economic climate requires that these key areas are subject to on-going review.
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Please refer to main report
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014/15. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>

Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Fluctuations in interest rates or in projected cash flows having significant impact on budgeted investment income.	High	Spread of investments for periods of up to two years. Budget monitoring and quarterly performance reports.	Medium
Bank / building society failure resulting in loss of Council funds.	High	Use of CDCM/Tradition advice on counterparty credit ratings (based on Fitch and Moody ratings) and the setting of lending limits. Use of non-rated building societies based on asset base and additional credit checks.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		CIPFA's revised Code of Practice for Treasury Management, (the Code), published in 2011.	
Documents attached:		<i>(Please list any appendices.)</i> Attachment 1 - Annual Treasury Management Report 2014/15 Appendix 1 – Temp Loans 2014/15 Appendix 2 – CDCM Investments 2014/15 Appendix 3 – Internally Managed Investments 2014/15 Appendix 4 – Comparison of Rates 2014/15 Appendix 5 – Statement of Compliance with the Treasury Management Code of Practice	

1. Key issues and reasons for recommendation(s)

1.1 Annual Report 2014/15

1.2 Interest Earned from Treasury Investments during the year

1.2.1 The table below summaries the interest earned during 2014/15 on the various Treasury Investments held by the Council.

1.2.2

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY		
	2014/15	2013/14
	£	£
CDCM/ Tradition Investments	432,188.69	512,357.90
In-House Investments	20,294.63	24,282.81
Lloyds 95 day Notice Account	9,521.76	0.00
Barclays FIBCA	8,944.07	10,265.13
NatWest LSA	1,562.28	4,261.67
TOTAL INTEREST EARNED/ACCRUED	£472,511.43	£551,167.51

1.2.3 The budgeted income from investments in 2014/15 was £372,418, interest actually earned during the year totalled £472,511, an overachievement of £100,093. This overachievement was mainly due to increased cash flow/money available for investment as a result of the timing of large value transactions such as NNDR receipts and payments and capital programme.

1.2.4 Although interest earned during the year was over budget, the continuing low base rate and subsequent low rates of return available in the marketplace have had an impact on the level of income from investments during 2014/15 compared to previous years.

1.3 Investment Activity during the year

1.3.1 The table below summaries the investment activities during 2014/15;

TREASURY MANAGEMENT – INVESTMENT ACTIVITY SUMMARY	
	2014/15
	£m
Opening Balance 01 April 2014	24.98
Investments made during the year (including transfers to business reserve accounts)	19.58
Sub Total	44.56
Investments realised during the year (including withdrawals from business reserve accounts)	15.98
Closing Balance 31 March 2015	28.58

1.4 **Investments held as at 31 March 2015**

1.4.1 The table below shows the investments held as at 31 March 2015;

Investments Held as at 31 March 2015				
Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Lloyds TSB Bank Plc	2,000,000	3.65%	17/05/12	15/05/17
Nottingham Building Society	1,500,000	3.15%	08/10/12	08/10/15
Principality Building Society	1,500,000	1.20%	10/02/14	10/08/15
Principality Building Society	1,000,000	1.15%	14/03/14	10/08/15
Rothschild	3,000,000	2.45%	11/06/14	09/06/17
Clydesdale Bank	3,000,000	0.80%	01/08/14	01/05/15
Close Bros	3,000,000	2.05%	08/01/15	09/01/17
National Counties Building Society	2,500,000	1.75%	09/02/15	09/02/17
Cumberland Building Society	3,000,000	0.51%	16/03/15	16/06/15
Nationwide Building Society	1,200,000	0.52%	09/03/15	22/06/15
Coventry Building Society	1,000,000	0.45%	09/03/15	19/05/15
Principality Building Society	1,200,000	0.43%	16/03/15	30/04/15
Nottingham Building Society	1,200,000	0.40%	23/03/15	24/04/15
Lloyds 95 Day Account	1,500,000	0.62%	Call	
Barclays FIBCA	1,985,000	0.40%	Call	
TOTAL	28,585,000			

2. **Market Activities**

2.1.1 Given the continued volatility in the financial markets, the Council, like many others, continues to find itself in one of the most challenging times for Treasury Management activities. The Council continues to hold its general policy objective, which is to invest surplus funds prudently, with security of our investments as our primary objective.

2.1.2 Base rate remained at 0.5% throughout the year and most market analysts continue to predict that this will continue into 2015/16 with a small staged increase not expected until the third or fourth quarter of 2015.

2.1.3 Investment returns continue to be one to two basis points above or below base rate, depending on duration. New investments for one year or more are attracting returns around 1%.

2.1.4 Markets will continue to be closely monitored and higher rates of return secured whenever possible.

3. **Borrowings**

3.1.1 On 31 March 2008 Forest Heath District Council borrowed £4.0m from Barclays Bank Plc, to part fund the new Newmarket Leisure Centre. It is a long term loan, for 70 years, to 31 March 2078, at a rate of 4.24%, with interest payable in arrears on the 31 March and 30 September each year. The loan is on a

LOBO basis, which stands for Lender's Option, Borrower's Option, which gives the lender the opportunity to increase the interest rate at pre-set dates throughout the period of the loan, but also gives the Council the option to repay the loan and any accrued interest if they do not wish to accept these new terms.

3.1.2 The first Lender's option date is the 31 March 2018 and thereafter, the last Business Day of each successive period of five years. Appropriate requirements for notice periods for the Lender and Borrower are set out in the loan instrument.

3.1.3 Interest paid on the Barclays loan during 2014/15 totalled £170,064.66.

3.2 **Temporary Loans**

3.2.1 The only other debt that the Council has is on a short term basis (i.e. 364 days or less) in the form of temporary loans in accordance with the 2014/15 Treasury Management Strategy.

3.2.2 The balance of principal outstanding for temporary loans as at 31 March 2015 was £2,300. No loans were repaid during the financial year 2014/15. The table below shows the temporary loans outstanding as at 31 March 2015.

Temporary Loans as at 31 march 2015			
Loan number	Interest Rate	Maturity Date	Loan Amount
1557	7 Day Average	7 Days Notice	1,000
1727	7 Day Average	7 Days Notice	300
1735	7 Day Average	7 Days Notice	1,000
Balance outstanding as at 31 march 2015			£2,300

4 **Average Rate of Return**

The table below shows the average rate of return for the various categories of investment against the 7 day average rate and 3 year – 7day average rate.

Comparison of Average Rate of Return				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Temporary Investments	0.53%	0.54%	0.52%	0.45%
CDCM Investments	2.23%	2.13%	2.10%	2.10%
NatWest LSA	0.50%	0.34%	0.34%	0.34%
Barclays FIBCA	0.70%	0.70%	0.59%	0.52%
7 Day Average	0.48%	0.47%	0.47%	0.47%
3 year – 7 Day Average	0.46%	0.48%	0.48%	0.48%
Overall Average return on Investments	1.82%	1.69%	1.67%	1.65%

TREASURY MANAGEMENT ANNUAL REPORT 2014/15

INTRODUCTION

1. Forest Heath District Council's Treasury Management Code of Practice is based on the 2011 Fully Revised Code recommended nationally by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code also incorporates revisions introduced by CIPFA in its document "Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes.
2. Treasury Management in this context is defined as:-

"The management of the Local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of the optimum performance consistent with those risks."
3. This Council has adopted the Code fully, and complies with its requirements. The primary requirement of the Code is the formulation and agreement by full Council of a Treasury Policy Statement (Treasury Management Code of Practice). This sets out Council and Committee responsibilities, as well as those of the Section 151 Officer (Head of Resources and Performance), in addition to the delegation and reporting arrangements. The Cabinet approved the Treasury Management Code of Practice for 2014/15 on 26 February 2014.
4. A requirement of the Council's Treasury Management Code of Practice is the reporting to the Council of both the expected Treasury activity for the forthcoming financial year (the Treasury Management and Annual Investment Strategy Report) and subsequently the results of the Council's Treasury Management activities in that year (Treasury Management Annual Report).
5. This Report fulfils the requirements in accordance with **TMP6**, of the Treasury Management Code of Practice, which requires the submission of the Treasury Management Annual Report prior to 30 September following a financial year's end.

BORROWING

6. On the 31 March 2008 Forest Heath District Council borrowed £4.0M from Barclays Bank Plc, to part fund the new Newmarket Leisure Centre. It is a long term loan, for 70 years, to the 31 March 2078, at a rate of 4.24%, with interest payable in arrears on the 31 March and 30 September each year. The loan is on a LOBO basis, which stands for Lender's Option Borrower's Option, which gives the lender the opportunity to increase the interest rate at pre-set dates through the period of the loan, but also gives the Council the option to repay the loan and any accrued interest if they do not want to accept these new terms.
7. The first Lender's Option Date is the 31 March 2018 and thereafter, the last Business Day of each successive period of five years. Appropriate requirements for notice periods for the Lender and the Borrower are set out in the loan instrument.

8. On the 30 September 2014 interest was paid to Barclays Bank Plc in the sum of £85,032.33, and on the 31 March 2015 a further £85,032.33 was paid.
9. The only other debt that the Council has is on a short term basis (i.e. 364 days or less) in the form of temporary loans in accordance with the 2014/15 Treasury Management Strategy Report. These are detailed in the following paragraph.

TEMPORARY LOANS – SUMMARY POSITION

10. The balance of principal outstanding for temporary loans as at the 31 March 2015 was £2,300. No loans were repaid during the financial year 2014/15.
11. A list of temporary loans outstanding as at 31 March 2015 is shown in **Appendix 1**.

PUBLIC WORKS LOAN BOARD (PWLB)

12. No loans are outstanding with the Public Works Loan Board.

TREASURY MANAGEMENT STRATEGY

13. The strategy for Treasury Management during 2014/15 was reported to the Council on 26 February 2014.

INTEREST RATES

14. In order to continue to assist the economic recovery the Monetary Policy Committee (MPC) continued to hold the base rate at an all time low of 0.5% during 2014/15 and most market analysts continue to predict that this will continue into 2015/16 with a small staged increase not expected until the third or fourth quarter of 2015.
15. Investment returns continue to be one to two basis points above or below base rate, depending on duration. New investments for one year or more are attracting returns around 1%.
16. The Council's Broker, City Deposit Cash Managers (CDCM), have predicted the following for the Council's average rate of return over the next 3 years.

CDCM INTEREST RATE AVERAGE RATE OF RETURN PREDICTIONS			
2014/15	2015/16	2016/17	2017/18
1.90%	1.75%	2.15%	2.50%

COMPLIANCE WITH THE TREASURY MANAGEMENT STRATEGY & CODE OF PRACTICE

17. During the financial year 2014/15 the Council operated within the requirements of the approved Annual Treasury Management & Investment Strategy and Treasury Management Code of Practice.

INVESTMENTS SUMMARY

18. The Council had five main investment categories in 2014/15 as follows:-

- Investments made on the advice of the brokers firm CDCM (Tradition)
- Internally Managed Temporary Investments by the Council
- NatWest Liquidity Select Call Account
- Barclays FIBCA Call Account
- Lloyds 95 day Notice Account

19. The overall amount of interest on investments (including accrued interest to 31 March 2015) in respect of the 2014/15 financial year totalled £472,511. This represents an increase of £100,093 against the budget of £372,418 as forecast in the Council's Medium Term Financial Strategy.

20. The tables below summarise the interest earned during 2014/15 and compares it to 2013/14 and total investments held as at 31 March 2014 compared to 31 March 2013.

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY		
	2014/15	2013/14
	£	£
CDCM/ Tradition Investments	432,188.69	512,357.90
In-House Investments	20,294.63	24,282.81
Lloyds 95 day Notice Account	9,521.76	0.00
Barclays FIBCA	8,944.07	10,265.13
NatWest LSA	1,562.28	4,261.67
TOTAL INTEREST EARNED/ACCRUED	£472,511.43	£551,167.51

TOTAL VALUE OF INVESTMENTS (PRINCIPAL) HELD AT YEAR END		
	At 31 March 15	At 31 March 14
	£	£
City Deposit Cash Managers Investments	20,500,000	20,500,000
Internally Managed Temporary Investments	4,600,000	500,000
Lloyds 95 day Notice Account	1,500,000	1,500,000
NatWest Liquidity Select Account	0	989,000
Barclays FIBCA	1,985,000	1,500,000
Total Value of Investments	28,585,000	24,989,000

INVESTMENTS MADE THROUGH CITY DEPOSIT CASH MANAGERS ADVICE

21. Maturing investments re-invested through City Deposit Cash Managers advice during the financial year totalled £14.5m. In addition £6.0m of CDCM investments made prior to 2014/15 were still in place during 2014/15. Interest earned during the year on CDCM investments amounted to £432,188.69. **Appendix 2** contains details of individual investments.

22. The average rate of return from investments made through the advice of City Deposit Cash Managers was 2.1%. The table in **Appendix 4** compares the rates returned on the maturing investments during the year, compared to the Benchmark 3 year - 7 Day Average Rate of 0.49%.
23. A list of outstanding investments made on City Deposit Cash Managers advice, as at 31 March 2015 is shown below.

Investments Held as at 31 March 2015				
Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Lloyds TSB Bank Plc	2,000,000	3.65%	17/05/12	15/05/17
Nottingham Building Society	1,500,000	3.15%	08/10/12	08/10/15
Principality Building Society	1,500,000	1.20%	10/02/14	10/08/15
Principality Building Society	1,000,000	1.15%	14/03/14	10/08/15
Rothschild	3,000,000	2.45%	11/06/14	09/06/17
Clydesdale Bank	3,000,000	0.80%	01/08/14	01/05/15
Close Bros	3,000,000	2.05%	08/01/15	09/01/17
National Counties Building Society	2,500,000	1.75%	09/02/15	09/02/17
Cumberland Building Society	3,000,000	0.51%	16/03/15	16/06/15
TOTAL	20,500,000			

INTERNALLY MANAGED TEMPORARY INVESTMENTS

24. Internally Managed Temporary Investments and re-investments totalling £38,800,000 were made during the 2014/15 financial year. Interest earned during the year on these investments amounted to £20,294. **Appendix 3** contains details of individual investments.
25. A list of outstanding Internally Managed Temporary Investments as at 31 March 2015 is shown below.

Investments Held as at 31 March 2015				
Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Nationwide Building Society	1,200,000	0.52%	09/03/15	22/06/15
Coventry Building Society	1,000,000	0.45%	09/03/15	19/05/15
Principality Building Society	1,200,000	0.43%	16/03/15	30/04/15
Nottingham Building Society	1,200,000	0.40%	23/03/15	24/04/15
TOTAL	4,600,000			

26. The average rate of return on Internally Managed Temporary Investments was 0.45%.
27. The table in **Appendix 4** illustrates the average monthly rate of return on Internally Managed Temporary Investments, compared to the 3 year - 7 Day Average Rate of 0.49%.

28. During the financial year there have been occasions when higher levels of funds have been held in the Council's current account (Lloyds General Account). This has been due to two main factors; funds have been required on consecutive days to cover cash flow requirements and it would not have been economically viable to make a short term investment or rates offered on short term investments were lower than the rate being paid by the current account, currently 0.4%. The Treasury Management Code of Practice does allow for this if the loss of interest (if there is any) does not exceed £25. The situation is reviewed on each occasion to ensure best practice is maintained.

29. In addition to the above there was 1 occasion where we were overdrawn, details are as follows;

12 June 2014, (2,503,262.70) overdrawn – Maturing investment was late being repaid, no charges/financial loss to the council was incurred.

THE NATWEST LIQUIDITY SELECT ACCOUNT

30. The NatWest Liquidity Select Account (NatWest LSA) was opened 17 September 2012 to take advantage of the 0.85% rate of interest offered. As with all interest rates the NatWest LSA's rate has dropped over the course of the year to 0.25%.

31. Interest earned on this account during the year amounted to £1,562.28.

32. Due to the reduction in interest rate funds were withdrawn from this account leaving a zero balance as at 31 March 2015. The account remains open as an extra counterparty should the interest rate rise again.

THE BARCLAYS FIBCA ACCOUNT

33. The Barclays Fixed Interest Bearing Call Account (Barclays FIBCA) was opened 28 January 2013 to take advantage of the 0.7% rate of interest offered. The rate has reduced during to year to 0.40% which is still comparable to some short term investment rates available in the market.

34. Interest earned on this account during the year amounted to £8,944.07.

35. The balance held on the account as at the 31 March 2015 was £1,985,000.

THE LLOYDS 95 DAY NOTICE ACCOUNT

36. The Lloyds 95 Day Notice Account was opened 2 April 2013 to take advantage of the 0.75% rate of interest offered. The rate has reduced during to year to 0.62% which is still comparable with short term investment rates available in the market.

37. Interest earned on this account during the year amounted to £9,521.76.

38. The balance held on the account as at the 31 March 2015 was £1,500,000.

OTHER INVESTMENTS

39. In addition to the main investment categories the Council also received dividends from minor Government Stocks in 2014/15 which totalled £757.34.

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APPENDIX 1

LIST OF TEMPORARY LOANS OUTSTANDING AND TERMS OF LOANS AS AT 31 MARCH 2015

LOAN NUMBER	% RATE OF INTEREST	MATURITY DATE	LOAN AMOUNT (£)
1557	7 Day Average Rate	7 Days Notice	1,000
1727	7 Day Average Rate	7 Days Notice	300
1735	7 Day Average Rate	7 Days Notice	1,000
Balance Outstanding as at 31 March 2015			<u><u>2,300</u></u>

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CDCM / TRADITION INVESTMENTS 2014/15							Appendix 2
Counterparty Name	Value / Balance £	Interest Rate %	Date Loaned	Date of Return	No. of Days	Total Interest Payable £	Interest Accrued 2014-15
National Counties Building Society	3,000,000.00	3.820000	11-Jun-10	11-Jun-14	1228	353,260.27	22,292.05
Barclays Capital	3,000,000.00	3.500000	4-Nov-11	16-Mar-15	1228	353,260.27	100,397.26
Lloyds TSB Bank Plc	2,000,000.00	3.650000	17-May-12	15-May-17	1824	364,800.00	73,000.00
Nottingham Building Society	1,500,000.00	3.150000	8-Oct-12	8-Oct-15	1095	141,750.00	47,250.00
Close Bros Ltd	3,000,000.00	1.420000	8-Jul-13	8-Jan-15	549	64,075.07	32,912.88
Progressive B/Society	2,500,000.00	0.960000	8-Jan-14	9-Feb-15	397	26,104.11	20,646.58
Lloyds TSB Bank Plc	3,000,000.00	1.021250	4-Feb-14	6-May-14	91	7,638.39	2,937.84
Principality B/Soc	1,500,000.00	1.200000	10-Feb-14	10-Aug-15	546	26,926.03	18,000.00
Principality B/Soc	1,000,000.00	1.150000	14-Mar-14	10-Aug-15	514	16,194.52	11,500.00
Lloyds TSB Bank Plc	3,000,000.00	1.021250	6-May-14	1-Aug-14	87	7,302.64	7,302.64
Rothschild	3,000,000.00	2.450000	11-Jun-14	9-Jun-17	1094	220,298.63	59,202.74
Clydesdale bank	3,000,000.00	0.800000	1-Aug-14	1-May-15	273	17,950.68	15,978.08
Close Bros Ltd	3,000,000.00	2.050000	8-Jan-15	9-Jan-17	732	123,336.99	13,984.93
National Counties Building Society	2,500,000.00	1.750000	9-Feb-15	9-Feb-17	731	87,619.86	6,113.01
Cumberland B/Society	3,000,000.00	0.510000	16-Mar-15	16-Jun-15	92	3,856.44	670.68
						1,814,373.90	432,188.68

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INTERNALLY MANAGED INVESTMENTS 2014/15

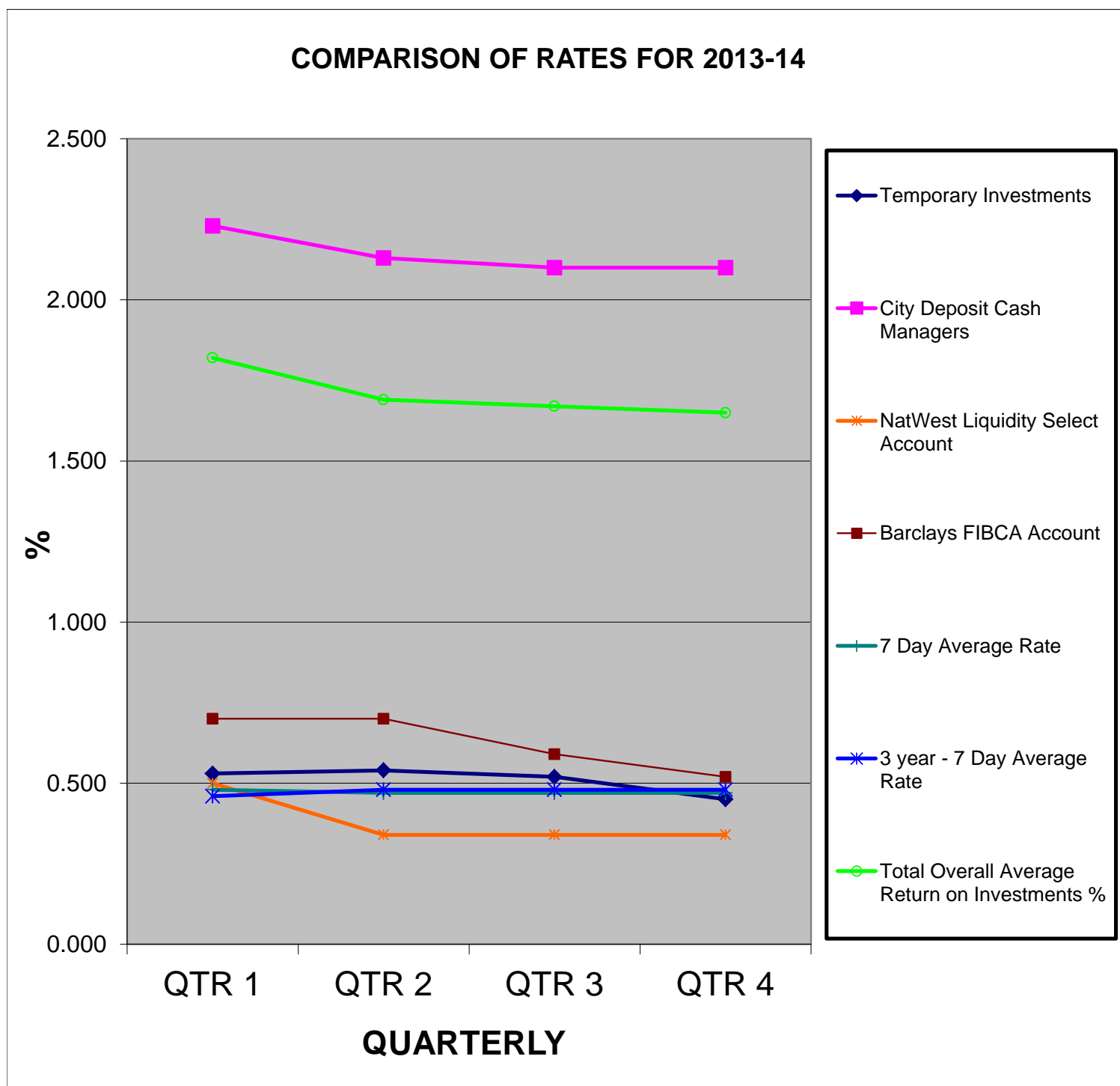
Appendix 3

Counterparty Name	Value / Balance £	Interest Rate %	Date Loaned	Date of Return	No. of Days	Total Interest Payable £	Interest Accrued 2014-15
Principality Building Society	500,000.00	0.440000	4-Mar-14	14-Apr-14	41	247.12	78.36
Coventry Building Society	1,500,000.00	0.420000	3-Apr-14	30-Apr-14	27	466.03	466.03
Principality Building Society	1,500,000.00	0.420000	15-Apr-14	23-May-14	38	655.89	655.89
Coventry Building Society	1,400,000.00	0.400000	15-Apr-14	28-Apr-14	13	199.45	199.45
Coventry Building Society	1,100,000.00	0.410000	1-May-14	19-May-14	18	222.41	222.41
Coventry Building Society	1,100,000.00	0.420000	19-May-14	19-Jun-14	31	392.38	392.38
Principality Building Society	800,000.00	0.430000	23-May-14	30-Jun-14	38	358.14	358.14
Nottingham Building Society	1,500,000.00	0.450000	2-Jun-14	28-Jul-14	56	1,035.62	1,035.62
Coventry Building Society	1,000,000.00	0.400000	19-Jun-14	23-Jun-14	4	43.84	43.84
Coventry Building Society	700,000.00	0.420000	23-Jun-14	21-Jul-14	28	225.53	225.53
Coventry Building Society	500,000.00	0.400000	1-Jul-14	23-Jul-14	22	120.55	120.55
Nationwide Building Society	1,500,000.00	0.430000	1-Jul-14	19-Aug-14	49	865.89	865.89
Coventry Building Society	500,000.00	0.400000	23-Jul-14	22-Aug-14	30	164.38	164.38
Principality Building Society	1,500,000.00	0.430000	29-Jul-14	22-Sep-14	55	971.92	971.92
Nottingham Building Society	1,000,000.00	0.550000	1-Aug-14	24-Nov-14	115	1,732.88	1,732.88
Nationwide Building Society	1,000,000.00	0.430000	19-Aug-14	22-Sep-14	34	400.55	400.55
Coventry Building Society	1,500,000.00	0.440000	1-Sep-14	20-Oct-14	49	886.03	886.03
Nationwide Building Society	1,300,000.00	0.440000	22-Sep-14	27-Oct-14	35	548.49	548.49
Principality Building Society	1,500,000.00	0.430000	1-Oct-14	19-Nov-14	49	865.89	865.89
Nationwide Building Society	1,500,000.00	0.450000	27-Oct-14	22-Dec-14	56	1,035.62	1,035.62
Coventry Building Society	1,500,000.00	0.450000	3-Nov-14	19-Jan-15	77	1,423.97	1,423.97
Principality Building Society	1,300,000.00	0.400000	19-Nov-14	23-Dec-14	34	484.38	484.38
Nottingham Building Society	800,000.00	0.480000	24-Nov-14	22-Dec-14	28	294.58	294.58
Nottingham Building Society	1,200,000.00	0.580000	1-Dec-14	23-Mar-15	112	2,135.67	2,135.67
Nottingham Building Society	800,000.00	0.450000	22-Dec-14	23-Feb-15	63	621.37	621.37
Nationwide Building Society	1,300,000.00	0.480000	23-Dec-14	9-Mar-15	76	1,299.29	1,299.29
Principality Building Society	1,200,000.00	0.420000	2-Jan-15	9-Feb-15	38	524.71	524.71
Principality Building Society	800,000.00	0.400000	15-Jan-15	16-Feb-15	32	280.55	280.55

Coventry Building Society	500,000.00	0.420000	15-Jan-15	16-Feb-15	32	184.11	184.11
Principality Building Society	1,200,000.00	0.410000	9-Feb-15	16-Mar-15	35	471.78	471.78
Coventry Building Society	1,200,000.00	0.410000	16-Feb-15	9-Mar-15	21	283.07	283.07
Nationwide Building Society	1,200,000.00	0.520000	9-Mar-15	22-Jun-15	105	1,795.07	393.21
Coventry Building Society	1,000,000.00	0.450000	9-Mar-15	19-May-15	71	875.34	283.56
Principality Building Society	1,200,000.00	0.430000	16-Mar-15	30-Apr-15	45	636.16	226.19
Nottingham Building Society	1,200,000.00	0.400000	23-Mar-15	24-Apr-15	32	420.82	118.36
						<u>22,922.36</u>	<u>20,294.63</u>

COMPARISON OF QUARTERLY RETURN ON INVESTMENTS WITH THE 7 DAY AVERAGE RATE OF RETURN 2014-2015

	QTR 1	QTR 2	QTR 3	QTR 4
Temporary Investments	0.530	0.540	0.520	0.450
City Deposit Cash Managers	2.230	2.130	2.100	2.100
NatWest Liquidity Select Account	0.500	0.340	0.340	0.340
Barclays FIBCA Account	0.700	0.700	0.590	0.520
7 Day Average Rate	0.480	0.470	0.470	0.470
3 year - 7 Day Average Rate	0.460	0.480	0.480	0.480
Total Overall Average Return on Investments %	1.820	1.690	1.670	1.650



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**Forest Heath District Council
St Edmundsbury Borough Council**

Statement of Compliance with the Treasury Management Code of Practice

In accordance with the approved Treasury Management Code of Practice Internal Audit has:

- Reviewed compliance with approved policy and procedures.
- Reviewed the division of duties and operational practice.
- Assessed value for money from treasury activities.
- Undertaken probity audit of the treasury function.

As a consequence Internal Audit is satisfied that, for the financial year ending 31 March 2015, the Treasury Management Code of Practice has been substantially complied with.

Signed J. K. Soares
Post Service Manager (Internal Audit)
Date 1/7/15

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