

Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title:	Agenda										
Date:	Wednesday 25 November 2015										
Time:	5.00pm (PLEASE NOTE TIME AND VENUE)										
Venue:	Conference Chamber West West Suffolk House Western Way Bury St Edmunds										
Full Members:	<p style="text-align: center;">Chairman Colin Noble</p> <p style="text-align: center;">Vice Chairman Louis Busuttil</p> <p><i>Conservative Members (8)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">David Bimson</td> <td style="width: 33%;">Louise Marston</td> </tr> <tr> <td>Ruth Bowman</td> <td>Christine Mason</td> </tr> <tr> <td>Louis Busuttil</td> <td>Colin Noble</td> </tr> <tr> <td>Brian Harvey</td> <td>Lance Stanbury</td> </tr> </table> <p><i>West Suffolk Independent (1)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Andrew Appleby</td> </tr> </table> <p><i>UKIP (1)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Peter Ridgwell</td> </tr> </table>	David Bimson	Louise Marston	Ruth Bowman	Christine Mason	Louis Busuttil	Colin Noble	Brian Harvey	Lance Stanbury	Andrew Appleby	Peter Ridgwell
David Bimson	Louise Marston										
Ruth Bowman	Christine Mason										
Louis Busuttil	Colin Noble										
Brian Harvey	Lance Stanbury										
Andrew Appleby											
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 five substantive items listed below under Items 5 to 9 inclusive, to be held in <u>Conference Chamber West.</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 <u>Conference Chamber East.</u>

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee will be in attendance to enable informal discussions on the reports listed in Items 5 to 9 inclusive below to take place between the two authorities.

COUNCILLORS

Conservative Members (8)	Sarah Broughton Betty McLatchy Paula Wade	Carol Bull Karen Richardson Patricia 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 Forest Heath's Performance and Audit Scrutiny Committee will withdraw from Conference Chamber West to **Conference Chamber East** to hold their formal meeting as follows:

Agenda

Page No

Procedural Matters

Part 1(A) - Public

1. **Substitutes**
2. **Apologies for Absence**
3. **Minutes** **1 - 6**

To confirm the minutes of the meeting held on 24 September 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 3 minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within 3 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 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 9 below, Members are reminded that no further debate shall take place. However, Members are requested to either formally note/resolve Items 5 to 9 below).
5. **Mid-Year Internal Audit Progress Report 2015-2016** **7 - 16**

Report No: **PAS/FH/15/028**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/028)
6. **Subscription Charge for the Brown Bin Service** **17 - 26**

Report No: **PAS/FH/15/029**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/029)
7. **Balanced Scorecards Quarter 2 Performance Report 2015-2016** **27 - 42**

Report No: **PAS/FH/15/030**
(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/030)

	Page No
8. West Suffolk Strategic Risk Register Quarterly Monitoring Report - September 2015	43 - 58
Report No: PAS/FH/15/031 <i>(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/031)</i>	
9. Work Programme Update	59 - 62
Report No: PAS/FH/15/032 <i>(For reference purposes, St Edmundsbury Borough Council's Report Number is PAS/SE/15/032)</i>	
<u>Part 1(B) - Public</u>	
10. Ernst and Young - Presentation of Annual Audit Letter 2014-2015	63 - 78
Report No: PAS/FH/15/033	
11. Financial Performance Report (Revenue and Capital) Quarter 2 (2015-2016)	79 - 96
Report No: PAS/FH/15/034	
12. Delivering a Sustainable Budget 2016-2017 - Update	97 - 100
Report No: PAS/FH/15/035	
13. Mid-Year Treasury Management Performance Report and Investment Activity (April - September 2015)	101 - 114
Report No: PAS/FH/15/036	

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 24 September 2015** at **6.00 pm** at the **Council Chamber, District Offices**, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

Chairman Louis Busuttil

David Bimson
Ruth Bowman
Brian Harvey
Louise Marston

Christine Mason
Colin Noble
Peter Ridgwell

52. **Substitutes**

There were no substitutes at the meeting.

53. **Apologies for Absence**

Apologies for absence were received from Councillors Andrew Appleby and Lance Stanbury.

54. **Minutes**

The minutes of the meeting held on 30 July 2015, were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

(Councillor Colin Noble arrived at 6.03pm during the consideration of this item)

55. **Public Participation**

There were no questions/statements from members of the public.

56. **Ernst and Young - Presentation of 2014-2015 ISA 260 Annual Results Report to those Charged with Governance**

The Committee received Report No: PAS/FH/15/022, which presented the results of the Ernst and Young (EY) audit of the financial statements for 2014-2015. The report set out those issues they were formally required to report on to those charged with governance, under the Audit Commission Code of Audit Practice and International Standards on Auditing (ISA (UK & Ireland) 260).

The report also included the results of the work that EY had undertaken to assess the Council's arrangements to secure value for money in the use of its resources, as the Performance and Audit Scrutiny Committee was charged with governance in accordance with powers delegated to it under the Council's Constitution.

A copy of the Audit Committee Summary was attached as Appendix A, and was presented to the Committee by Neil Harris (Director), Melanie Richardson (Audit Manager) and Mary Springer (Auditor) from EY.

The Council's unaudited 2014-2015 statement of accounts, signed by the Council's Chief Financial Officer (Section 151 Officer) on 30 June 2015, had been updated to reflect adjustments recommended by EY from their audit work. Members were advised that the adjustments were all immaterial to the overall financial position of the Council and were in most cases merely presentational changes. However, one item had not been adjusted in respect of the Newmarket Leisure Centre adjudication costs. This item had been carried forward from the 2011-2012 statement of accounts audit and it had been agreed by Members of the Performance and Audit Scrutiny Committee in that and subsequent years, that this would remain as an unadjusted item for the 2014-2015 statement of accounts.

Also attached as Appendix B to the report was a Letter of Representation, on behalf of the Council in accordance with the audit of the financial statement for Forest Heath District Council for the year ended 31 March 2015.

Mr Harris confirmed that all work on the audit of the Council's 2014-2015 financial statements had been completed and no further errors had been identified. Therefore, EY would be issuing an unqualified opinion and certificate on Friday 25 September 2015, on both the Council's 2014-2015 financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources. He wished to thank the Head of Resources and Performance and her team who had been helpful and instrumental in making this a very smooth audit for EY. However, he wished to draw the Committee's attention to a couple of key areas:

- 1) On page 31, it was confirmed that there were no changes in EY's assessment of independence since their confirmation in their Audit Plan dated March 2015.
- 2) On page 33, the unadjusted audit error for Newmarket Leisure Centre relating to capital spend, which EY did not necessarily feel complied with the Accounting Standards.
- 3) The audit fee for 2014-2015 remained the same as previously indicated to the Committee.

Finally, Mr Harris explained that this would be his final presentation to the Committee. A new audit lead (Rob Murray) would be taking over from November 2015, as he had completed his seven years as the Councils External Audit Director.

Members asked a number of questions in relation to the report, to which Mr Harris and officers duly responded. In particular discussions were held on the history behind the Newmarket Leisure Centre unadjusted audit error relating to capital spend.

The Chairman, on behalf of the Committee wished to thank the Head of Resources and Performance and the Finance Team for their outstanding work and also wished to thank EY for their audit work.

With the vote being unanimous, it was

RESOLVED: That

- 1) The unqualified opinion of the Financial Statements for 2014-2015 (page 3 of Appendix A), issued by the Auditor be noted.
- 2) The Value for Money conclusion stating that the Council had proper arrangements in securing economy, efficiency and effectiveness in its use of resources (page 3 of Appendix A), issued by the Auditor be noted.
- 3) The Letter of Representation on behalf of the Council be approved, before the Audit Director issues his opinion and conclusion.

57. West Suffolk Annual Governance Statement 2014-2015

The Committee received Report No: PAS/FH/15/023, which sought members approval of the Annual Governance Statement for 2014-2015, attached as Appendix A. The Annual Governance Statement provided stakeholders with the assurance that the Council had operated within the law and that the Council had met the requirements of the Accounts and Audit Regulations 2015. The Annual Governance Statement accompanies the Statement of Accounts.

The document had been prepared by the Officer Governance Group and was presented as a joint statement for Forest Heath District Council and St Edmundsbury Borough Council to reflect both councils working together and sharing services across West Suffolk.

The Head of Resources and Performance advised that no significant governance issues had been raised, but the Annual Government Statement recognised the work of the planning and regulatory service and the additional resources deployed to the service during 2014-2015.

The Committee was asked to review and approve the Annual Governance Statement prior to being signed off by the Chief Executive and the Leader of the Council.

The Committee discussed the Annual Governance Statement for 2014-2015 and asked questions to which officers duly responded. In particular, discussions were held on the planning and regulatory service and the potential for future charging.

With the vote being unanimous, it was

RESOLVED

That the Annual Governance Statement for 2014-2015, attached as Appendix A to Report No: PAS/FH/15/023 be approved for signing by the Chief Executive and the Leader of the Council.

58. 2014-2015 Statement of Accounts

The Committee received Report No: PAS/FH/15/024, which sought Members approval of the 2014-2015 Statement of Accounts, attached as Appendix A, in accordance with the powers delegated to it under the Council's Constitution.

EY had commenced the audit of the Council's draft Statement of Accounts in July 2015, with a view to its completion prior to the 30 September 2015 deadline for publication. The results of EY's review of the accounts were provided in the Annual Results Report, which was included on the Committee's agenda (PAS/FH/15/022).

The attached Statement of Accounts (Appendix A) had been amended (as appropriate) to take on board issues raised by the audit process up to the date of distribution. Only minor presentational changes were now required prior to the signing of the accounts.

EY had confirmed that the audit of Forest Heath District Council had been concluded and would be issuing an unqualified opinion on the financial statements and the value for money conclusion that the Council had made the appropriate arrangements to secure economy, efficiency and effectiveness in the Council's use of resources by Friday 25 September 2015. This meant the Committee was now in a position to sign the 2014-2015 Statement of Accounts off.

The Head of Resources and Performance was pleased to confirm that the Council's net expenditure for 2014-2015 was £8.438m, resulting in a budget underspend for the year of £0.036m.

The Head of Resources and Performance wished to thank the Finance Team for all their work involved in pulling the accounts together and also thanked EY.

The Committee scrutinised the draft accounts asked questions of officers who duly responded. In particular, discussions were held on the pension fund deficit; and clarification was sought on page 132, notes on the Shared Leadership Team.

The Committee wished to convey its thanks and commended the Finance Team in the work involved in closing the accounts.

With the vote being unanimous, it was

RESOLVED: That

- 1) The 2014-2015 Statement of Accounts, attached as Appendix A to Report No: PAS/FH/15/024 be approved in accordance with the powers delegated to it under the Council's Constitution.
- 2) The Chairman of the Performance and Audit Scrutiny Committee signs the certification of the 2014-2015 Statement of Accounts on behalf of the Committee.
- 3) The Chief Finance Officer, in consultation with the Portfolio Holder for Resources and Performance, be given delegated authority to make any presentational and non-material changes to the Statement of Accounts that may be required up to the date of publication.

59. Delivering a Sustainable Budget 2016-2017

The Committee received Report No: PAS/FH/15/025, which updated members on the budget assumptions and timetable, along with progress made to date on delivering a balanced budget for 2016-2017. Forest Heath continued to face considerable financial challenges as a result of increased cost and demand pressures and constraints on public sector spending. In this context, and like many other councils, Forest Heath had to make difficult financial decisions.

The budget gap for years 2016-2017 to 2018-2019 were projected in Table 1 of the report. The current budget assumptions for 2015-2016 and for the period of the Medium Term Financial Strategy were detailed in Appendix A. The key budget assumptions continued to be reviewed as more accurate information became available.

The Performance and Audit Scrutiny Committee was asked to support and recommend to Cabinet the inclusion of a number of budget proposals, as set out in Table 2 of the report, in order to progress securing a balanced budget for 2016-2017.

The Committee was further asked to consider proposals in continuing the current scheme of gradually phasing out the Local Council Tax Support Grant from April 2017.

Member scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on the budget saving proposals relating to future staffing changes, including service changes and vacancy management; and the future expected level of public sector finances.

Members **noted** the budget assumptions, timetable and progress made to date on delivering a balanced budget for 2016-2017.

With the vote being unanimous, it was

RECOMMENDED

That Cabinet includes the proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/FH/15/025 in securing a balanced budget for 2016-2017.

(Councillor Ruth Bowman left the meeting at 6.57pm, during the consideration and prior to the voting on this item).

(Council David Bimson left the meeting at 6.59pm, during the consideration and prior to the voting on this item).

60. **Annual Corporate Environmental Performance 2014-2015**

The Committee received Report No: PAS/FH/15/026, which set out the Annual Environmental Statement covering environmental performance in 2014-2015 (Appendix A). The Statement covered the operations of both Forest Heath District Council and St Edmundsbury Borough Council and the leisure trusts in West Suffolk in respect of energy and water consumption and renewable energy regeneration. By delivering improved environmental performance across West Suffolk, both Councils continued to fulfil both their statutory and policy responsibilities set out in the West Suffolk Sustainability Strategy, and support for the shared strategic vision "*Working together, Forest Heath and St Edmundsbury Councils will support communities to create the best possible future for people in West Suffolk*".

The Committee scrutinised the West Suffolk Environmental Statement 2014-2015 and asked a number of questions, to which officers duly responded. In particular discussions were held on the rent a roof scheme and renewable energy generation, which it was reported would continue to make long term savings for the Council.

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

61. **Work Programme Update**

The Committee received Report No: PAS/FH/15/027, which provided information on the current status of the Committee's work programme. Attached as Appendix 1 to the report were details of items scheduled to be presented to the Committee during 2015-2016. The Committee considered its work programme, and there being no decision required, **noted** the contents of the report.

The Meeting concluded at 7.08pm

Signed by:

Chairman

Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Mid-Year Internal Audit Progress Report 2015/16	
Report No:	PAS/FH/15/028	
Report to and date/s:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Steven Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: steven.edwards@forest-heath.gov.uk	
Lead officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	
Purpose of report:	This report advises Members of the work of the Internal Audit Section for the first half of 2015/16 and gives Members a flavour of the variety of corporate projects and activities which are supported through the work of the team. The report also provides an update on progress made against the 2015/16 Internal Audit Plan previously approved by this committee.	
Recommendation:	It is <u>RECOMMENDED</u> that Members are asked to note the contents of this report, including progress made against the 2015/16 Internal Audit Plan.	
Key Decision: (Check the appropriate box and delete all those that do not apply.)	<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"> The Internal Audit Plan was compiled in consultation with the Head of Resources and Performance (as S151 Officer), Leadership Team, and the external auditors; and Consultation with key officers is also carried out during the audit process and in the production of individual internal audit reports and follow up work. 	
Alternative option(s):		<ul style="list-style-type: none"> N/A 	
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
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)
Internal controls within the council may not be efficient and effective and as a result the council may not be identifying significant weaknesses that could impact on the achievement of the council's priorities and/or lead to fraud, financial loss or inefficiency.	Medium	Members receive and approve the Internal Audit Plan and receive a progress report during the year. The Audit Plan is based on an assessment of risk for each system or operational area. External Audit reviews the work of Internal Audit and internal control arrangements.	Low
Ward(s) affected:		N/A	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		N/A	
Documents attached:		Appendix A – Mid-Year Internal Audit Progress Report 2015/16	

1. Key issues and reasons for recommendation

1.1 Background Information

1.1.1 The Public Sector Internal Audit Standards require the Service Manager (Internal Audit) to report periodically to senior management and committee on Internal Audit's performance relative to its Audit Plan. Reporting should also include significant risk exposures and control issues where relevant, including fraud risks and governance issues. The Performance and Audit Scrutiny Committee is the designated committee to receive these periodic reports.

1.1.2 The purpose of this report is to update Members on progress made against the 2015/16 Audit Plan (approved by this committee in June 2015), and also provide a flavour of the work undertaken in the year to date.

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Mid-Year Internal Audit Progress Report 2015/16

1. Introduction

- 1.1 The Public Sector Internal Audit Standards require the Service Manager (Internal Audit) to report periodically to senior management and committee on Internal Audit's performance relative to its Audit Plan. Reporting should also include any significant risk exposures and control issues where relevant, including fraud risks and governance issues. The Performance and Audit Scrutiny Committee is the designated committee to receive these periodic reports.
- 1.2 The purpose of this report is to update Members on progress made against the 2015/16 Audit Plan (approved by this committee in June 2015), and also provide a flavour of the work undertaken in the year to date.

2. Review of Internal Audit work for the seven months to October 2015

- 2.1 An overview of the work of Internal Audit for the first seven months of 2015/16, and progress made towards achieving the Audit Plan for the year, is set out below.

Corporate and Consultancy Work

- 2.2 A similar approach to last year's Internal Audit Plan is being taken in that as well as continuing to perform the usual statutory fundamental systems audits and other audit responsibilities, Internal Audit is also performing corporate and consultancy style work. This approach recognises that early audit input to activities can often help prevent or bring early resolution to internal control issues, and also bring audit skills and increase available resource on significant corporate projects. For 2015/16 to date the team has assisted in the following work areas:
 - re-designing service processes (Freedom of Information, Locality Budgets, Committee Administration, and Permits);
 - production of the West Suffolk Annual Governance Statement and its associated documents;
 - West Suffolk Strategic Risk Register;
 - fees and charges;
 - project development, delivery and management of projects across the West Suffolk councils;

- information governance;
- records management; and
- input to corporate projects such as the proposed Housing Development Company, solar energy projects, and investment in the commercial asset portfolio at Brandon.

2.3 During the year to date Internal Audit has also:

- responded to around 40 requests for financial vetting or other related financial advice including assessments of organisations' financial suitability to undertake specified contracts for the councils; and
- continued to provide advice to service areas on internal controls.

2.4 Internal Audit is currently working on developing an approach to undertake project 'health checks' on selected council projects. This work is in recognition that there are a number of new projects which are key to the councils achieving their strategic objectives, and this work will contribute towards the councils' management of their project risks. These project health checks will review the governance of selected projects and check that these projects are on track and well managed. Results of these project health checks will be shared as appropriate and learning points, including examples of good practice, will be disseminated amongst all project managers. This is a new area of work for Internal Audit and the approach will be trialled from the end of the 3rd quarter 2015/16.

Fee Earning Work

2.5 Internal Audit is continuing to undertake fee earning work during 2015/16 and by the end of the financial year this is likely to result in approximately £23k of income being earned. Fee earning work consists of the following:

- work on behalf of East Cambridgeshire District Council as part of the agreement in place whereby West Suffolk provides that council with internal audit resources to assist in completion of their annual audit plan;
- audit of the council tax, non-domestic rates, and housing and council tax benefits systems at the Anglia Revenues Partnership (ARP) on behalf of East Cambridgeshire District Council (this is in addition to the work referred to above) and Breckland Council; and
- fee earning grant certification work for Suffolk County Council to provide assurance to the Department for Business Innovation & Skills that the conditions of the specific grant determination (Business Growth Programme and Employer Ownership Grant Scheme) have been complied with.

2.6 As mentioned above (paragraph 2.5 refers) the West Suffolk Internal Audit Team currently undertakes the council tax, housing benefit and non-domestic rates reviews for Breckland Council, East Cambridgeshire District Council, Forest Heath District Council and St Edmundsbury Borough Council. Waveney

District Council, Suffolk Coastal District Council and Fenland District Council have recently joined the ARP and discussions are currently in progress to determine the future internal auditing arrangements at ARP.

Core Financial Systems and Fundamental Review Work (statutory audits which must be undertaken every year)

2.7 The following audits must be undertaken every year as these form the foundations of the annual internal audit opinion:

- Council Tax (in progress)
- Non Domestic Business Rates (in progress)
- Housing and Council Tax Benefits (in progress)
- Cash Handling (in progress)
- Accounts Receivable (in progress)
- Accounts Payable (in progress)
- Payroll
- Treasury Management
- Main Accounting System

2.8 At the time of writing this report, as can be seen at paragraph 2.7 above, the majority of the core financial systems / fundamental review work audits are currently in progress, while the remaining audits have not yet commenced. This is normal for this time of the year as these audits generally need to cover as much of the financial year as possible and are therefore not normally commenced until at least the third quarter. The work undertaken on these audits forms the basis of the annual internal audit opinion which will be reported to Performance and Audit Scrutiny members in the 2015/16 Annual Internal Audit Report.

Non-Fundamental Review Work

2.9 This work includes reviewing internal controls within departmental systems, and other non-fundamental audits.

2.10 During the first half of the financial year 2015/16 the following work within this category was carried out:

- an audit review of the housing register (**Choice Based Lettings**) identified that satisfactory controls are in place for the allocation of housing and that needs are appropriately assessed. A substantial assurance opinion was provided, however actions have been agreed to improve the transparency of the decision making process to strengthen this further. Also, a new software system is due to be introduced in April 2016 and suggestions have been made for the Service to take forward with the new supplier to provide further automation, reports and functionality; and
- audit reviews have taken place (with work currently at draft report stage) in respect of **Markets, Apex Cash Handling Arrangements and Homelessness**. The results of these audits will be reported to Performance and Audit Scrutiny members in the 2015/16 Annual Internal Audit Report.

Follow-Up Work

- 2.11 Follow-up work is undertaken to check the extent to which agreed recommendations / actions have been implemented in respect of previous audits undertaken. Where this follow-up work relates to a core financial system or fundamental review work, this will form an integral part of the annual audit for that area. However, where this relates to a non-fundamental system a separate follow-up audit will be undertaken and a follow-up audit report issued.
- 2.12 Five such follow up audit reviews have been completed and issued as final reports (the council to which they relate is denoted in brackets), these being:
- A **Contract Procedures (SEBC and FHDC)** follow up audit was completed to assess the progress of actions from previous audits undertaken. Many of the original actions have been completed through the introduction of new Contract Procedure Rules, while four actions remain as work in progress, focussing around the use of consultants, temporary staff and the continued maintenance of the Contracts Register.
 - A follow up review on a 2013/14 audit on the compliance with **Payment Card Industry Data Security Standards (PCI DSS) (SEBC and FHDC)** for outlying sites was undertaken. Arrangements for the storage and disposal of card holder data have been addressed and an e-learning training module is being created to ensure staff are aware of their responsibilities.
 - A follow up audit was conducted on the original 2013/14 **CCTV (SEBC and FHDC)** audit. This follow up review highlighted that it had been possible to make only limited progress on recommendations made in the original audit regarding staff guidance and record keeping requirements relating to CCTV – this was due to the resource intensive new CCTV systems project covering the Bury St Edmunds and Haverhill public areas. Internal Audit have since assisted the Service by producing and issuing CCTV guidance notes to outlying sites ensuring staff are aware of Data Protection requirements, record keeping requirements and appropriate use of the system.
 - A high level review to assess the progress of agreed actions from the 2013/14 **Elections (SEBC and FHDC)** audit was undertaken. As significant changes have occurred within the Service the new Service Manager is now reviewing working practices and will be introducing efficient processes for the delivery of elections which will address the outstanding actions.
 - A follow-up has been undertaken on the **Social Media and Mobile Computing (SEBC and FHDC)** audit report issued in April 2013. The review confirmed that all recommendations in respect of mobile computing have been implemented although some further work is still required to address some fairly minor recommendations made in respect of social media.

3. Probity

- 3.1 Councils are required to participate in the biennial National Fraud Initiative (NFI), an exercise involving data matching of records such as benefits, payroll, pensions, student awards, housing rents (where applicable), licences, parking permits, and travel concessions. Internal Audit takes a leading role in co-ordinating this exercise working across a number of service areas, as well as

ARP, to support those staff to provide their data so that they can then investigate and record the results of their matches. A significant number of these matches relate to council tax and housing benefits and these matches are investigated by ARP on behalf of the West Suffolk councils.

3.2 In respect of the current NFI exercise:

- Of the 1829 matches reported for St Edmundsbury Borough Council, 616 have been processed. A risk-based approach is taken when reviewing matches, with recommended matches as identified by the NFI application being addressed first (there were 423 of these), and a sample of remaining matches then reviewed. Whilst no frauds were detected, 10 errors totalling £25,285 were identified and arrangements are in place to recover this via credit notes, housing benefit adjustments or the housing benefit overpayment process.
- In respect of Forest Heath District Council - of the 902 matches reported, 297 have been processed. Again, a risk based approach is taken when reviewing matches, with recommended matches as identified by the NFI application being addressed first (there were 187 of these), and a sample of remaining matches then reviewed. Whilst no frauds have been detected, 5 errors totalling £5,423 were identified and are being recovered through either credit notes, liability being added to the council tax or the housing benefit overpayment process.

3.3 In order to further understand the fraud risk level within the councils, a fraud risk assessment review was undertaken with the objective of assessing the controls in place to reduce or detect fraud and to formulate an action plan for the residual risks. The review concluded that the West Suffolk councils generally have good controls in place with the risk of fraud thought to be low overall but it should be recognised that fraud can never be entirely mitigated. Fraud awareness work is therefore undertaken, through including short messages on the intranet on fraud related topics at periodic intervals.

3.4 The new CIPFA Code of Practice on Managing the Risk of Fraud and Corruption provides five key principles to embed effective standards for countering fraud and corruption. While the code is voluntary, an assessment is currently in progress to assess West Suffolk against these principles and may identify areas which could be strengthened.

3.5 Internal Audit has reviewed expenditure made on Government Procurement cards in use at the West Suffolk councils to check that no inappropriate transactions have been made – no significant issues arose from this work.

4. Resources

4.1 The staff complement of the team is currently 3.57 Full Time Equivalents (FTEs) comprising of the Service Manager Internal Audit (1 FTE), two Senior Auditors (2 FTEs), and an Auditor (0.57 FTE).

5. Conclusions

- 5.1 The Service Manager (Internal Audit) currently considers that progress on the core financial systems audits (paragraph 2.6 refers), as well as other audit responsibilities, is in line with expectations and therefore the Audit Plan should be completed on time, resulting in an ability to deliver a robust annual audit opinion in the 2015/16 Annual Internal Audit Report.
- 5.2 There are no significant risk exposures or control issues arising from the audit work undertaken during the period that need to be specifically drawn to the attention of the Performance and Audit Scrutiny Committee.

Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Subscription Charge for the Brown Bin Service	
Report No:	PAS/FH/15/029	
Report to and date/s:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holders:	David Bowman Portfolio Holder for Operations Tel: 07711 593737 Email: david.bowman@forest-heath.gov.uk	
Lead officer:	Mark Walsh Head of Operations Tel: 01284 757300 Email: mark.walsh@westsuffolk.gov.uk	
Purpose of report:	To consider and approve in principle a West Suffolk subscription charge for the brown bin service to take effect from April 2016.	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>That the Performance and Audit Scrutiny Committee approve, in principle, the £40 brown bin annual subscription charge, as detailed in Report No: PAS/FH/15/029, and agree to the implementation of the charge with effect from 1 April 2016 by the Head of Operations in line with the Council's Fees and Charges Policy.</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>
<p>Consultation:</p>	<ul style="list-style-type: none"> Joint Cabinet Planning and the Portfolio Holder (Operations) have considered and reviewed the variables and assumptions in relation to the introduction of a subscription charge.
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> A number of subscription amounts have been considered to reflect experience elsewhere and to provide a sustainable budget over the next three years.
<p>Implications:</p>	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Introduction of the charge will avoid the expected reduction in recycling payments (RPP) from SCC. The subscription charge will generate income to offset the cost of the service. There will be costs associated with the transition to the new service. These will be funded through an agreement with the Suffolk Waste Partnership as agreed by Cabinet and Council in reports referenced below.
<p><i>Are there any staffing implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> A review of the operational costs will be undertaken during the first year once service demand is fully understood.
<p><i>Are there any ICT implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> To enable efficient administration, it is important that the corporate IT systems enable online applications and payments.
<p><i>Are there any legal and/or policy implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The council has the power to charge for the collection of garden waste. The new service is a service change and take-up is optional.

<p>Are there any equality implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> • Inclusion in the new service is optional and the choice to participate will reflect the individual circumstances of each household. • A number of alternative options will be promoted to households to help them manage their organic waste such as home composting, food waste reduction advice, use of the Household Waste Recycling Centres and sharing bins with neighbours. • Assisted collections are available to residents who are unable to put their bin out for collection. • Payment options will be limited to reflect the corporate drive for channel shift e.g. online payments and customer self serve. 	
<p>Risk/opportunity assessment:</p>		<p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p>	
<p>Risk area</p>	<p>Inherent level of risk (before controls)</p>	<p>Controls</p>	<p>Residual risk (after controls)</p>
	<p>Low/Medium/ High*</p>		<p>Low/Medium/ High*</p>
<p>Limited take up</p>	<p>Medium</p>	<p>Review of experiences at other councils to guide the assumptions used. Scalability of service to reflect take up.</p>	<p>Medium</p>
<p>Cost of administering the application and payments systems.</p>	<p>High</p>	<p>Use of online applications. Adopt a simple pricing system to exclude means testing and refunds. Use of the waste back office system to update collection rounds.</p>	<p>Medium</p>
<p>Resident dissatisfaction with the level of the subscription charge.</p>	<p>High</p>	<p>The charge is in line with other councils. Take up of the service is optional.</p>	<p>Medium</p>
<p>Ward(s) affected:</p>		<p>All Wards</p>	
<p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p>		<p>FHDC Cabinet 15SEP15 report CAB/FH/15/041 FHDC Council 14OCT15 report COU/FH/15/034 SEBC Cabinet 08SEP15 report CAB/SE/15/051 SEBC Council 22SEP15 report COU/SE/15/028</p>	
<p>Documents attached:</p>		<p>N/A</p>	

1. Key issues and reasons for recommendation(s)

Introduction

- 1.1 Respective Forest Heath and St Edmundsbury Cabinets and Full Councils have approved the introduction of a subscription charge of between £35 and £50 per annum for those households wishing to opt-in to the new organics waste collection service from April 2016.
- 1.2 Having regard to the respective Council budget setting process for the financial year 2016/17, this committee is asked to approve in principle an appropriate annual charge, between the approved limits, for Cabinet to consider.

2. Background

- 2.1 The full background and rationale for these changes is detailed in the Cabinet reports (see the links in the 'background papers' section of this report).

3. The subscription charge and next steps

- 3.1 Subscription charging
 - 3.1.1 Following the agreement of full Council to implement a subscription charging scheme between £35 and £50, additional work has been undertaken to ascertain the most appropriate charging level. Based on the analysis set out in this report it is recommended that the subscription charge is set at £40 per year, per bin, per household. Further details around the practicalities of the scheme are currently being worked through, however it is anticipated that if households are allowed additional brown bins these will also be charged at £40 per year. The implementation and take-up of the scheme will be reviewed in three years or before if necessary.
 - 3.1.2 The £40 charge across West Suffolk has been established to reflect a range of variables and assumptions and to take into account the following:
 1. Experience elsewhere;
 2. Impact on the service revenue budget; and
 3. Enabling efficient payment transactions.

Experience elsewhere

- 3.1.3 More than a third of Councils across England now charge to collect garden waste from households and this figure is increasing. Some councils introduced a charge from the onset of the garden waste service, whilst others have made the transition from a "free" service i.e. provided to all households and paid for through the council tax, to a subscription based service.
- 3.1.4 Nationally, the charge varies between £25 and £95 per annum and the frequency of collection varies between 40 weeks (20 collections) and

52 weeks (26 collections) per year. The table below outlines the current subscription charge among some of the local councils.

Council	Subscription charge
Kings Lynn BC	£42.00
Broadland	£47.00
Breckland	£42.00
Great Yarmouth	£51.60
South Norfolk	£39.50 - £44.00*
North Norfolk	£42.64
Norwich	£42.00
Mid Suffolk/Babergh	£45.00
Peterborough City Council	£39.00
Waveney DC (2016)	£42.00

* reflects variable pricing based on payment method

3.1.5 In terms of the variation in the service provided among the councils outlined in **Appendix A**, most of the councils:

- provide an alternate week annual collection service;
- enable service subscribers to book and pay for the service online; and
- do not offer a refund e.g. if the resident moves from the area or opts out of the service.

3.1.6 There is variation among councils offering a pro-rata service charge i.e. the charge is reduced to reflect the length of the subscription year remaining at the time of application, and the availability of discounts e.g. a means tested service.

Impact on the service revenue budget

3.1.7 In calculating the impact of the subscription charge on the current service, a number of assumptions have been made. This is because the implications of charging a subscription are varied as it influences service take up and participation (customer choice and garden size), which in itself affects the amount of waste collected (tonnes), which affects potential income (RPP and subscription) and service costs (waste treatment gate fee, transitional costs, administration costs and operational collection costs).

3.1.8 Assuming operational collection costs initially remain unchanged along with costs associated with organic waste in the black bin, the dynamics of the above relationships for West Suffolk have been assessed using the following assumptions:

- around 70% of organic waste will continue to be collected;
- participation rate will be around one-third of current households; and
- estimated gate fee of £46 per tonne and a RPP of £54.76 per tonne.

3.1.9 The estimated results for West Suffolk are outlined in **Appendix B** based on the 2014/15 financial information for West Suffolk. The table provides the estimated brown bin service net cost resulting using three variables – (1) subscription charge, (2) take up rate and (3) tonnes of organic waste collected.

3.1.10 It should be noted however that:

- The purpose of the table is to show the indicative relationship between the participation rate, tonnes of garden waste collected, annual subscription income, gate fee cost and RPP income.
- Operational delivery costs are those experienced at present and are assumed to be worse case scenario i.e. no account has been made of potentially lower costs by servicing fewer households.
- Service expectation such as tonnes collected, participation rates etc. are assumed based on experiences elsewhere and are not guaranteed;
- The above costs relate to West Suffolk and not the full Suffolk taxpayer i.e. they exclude disposal cost impacts.
- There are no costs included associated with the continued administration of the subscription service or the promotion of alternative organic treatment options for non subscribers.
- The transitional costs associated with the implementation of the new scheme are not included. These costs will be incorporated into the cost sharing model agreed by Suffolk Waste Partnership as approved by Cabinet and Council in the reports referenced above.

3.1.11 Based on the information in **Appendix B**, all scenarios demonstrate a reduction in service costs. However, due to the wide variation in assumptions used, it has been agreed to (1) review the potential budget further and as part of the cost sharing with SCC; (2) to fix the subscription charge for three years and (3) review annually once a better understanding of take-up is available.

Enabling effective payment transactions

3.1.12 In order to ensure the subscription process is efficient and supports the model of shared services across West Suffolk, the following principles are important:

- Embrace the corporate drive to maximise customer channel shift and self serve i.e. online payment transactions whilst utilising the full range of back office IT systems to minimise manual data entry.
- Use a single subscription charge across West Suffolk to simplify the:
 - Design and financial administration of the service;
 - Promotion and advertising of the service
 - Customer understanding and awareness of the new scheme and the charge that applies; and

- Use of joint customer contact/access points.

3.2 **The Next Steps**

3.2.1 In terms of the next steps for the project:

- the joint procurement of the organics treatment service is currently underway, and it will be for garden waste only;
- it is expected that the new service will commence in April 2016 and will be offered to all residents in West Suffolk;
- west Suffolk wide publicity material and a communications plan will be finalised and implemented with a view to maximising the take-up of the scheme across the two councils;
- we will continue to promote home composting and use of the HWRC's; and
- we will work up proposals and costs associated with the administration of the subscription service and communications with residents.

APPENDIX A: Summary of information from other councils

Council	Annual Charge
Harlow Council	£94.92
Kingston Upon Thames	£78.00
Malvern Hills District Council	£65.00
Merton Council	£65.00
Wokingham Borough Council	£60 - £62
Chichester District Council	£55.75
Great Yarmouth Borough Council	£51.60
East Northamptonshire Council	£51.50
Southend-on-Sea Borough Council	£48.70
Mendip District Council	£48.00
Broadland District Council	£47.00
Mid Suffolk/Babergh	£45.00
Wyre Forest District Council	£43.00
North Norfolk District Council	£42.64
Breckland District Council	£42.00
Norwich	£42.00
Kings's Lynn and West Norfolk Borough Council	£42 - £47
Oxford City Council	£41 - £44
Brentwood Borough Council	£41.00
Bromsgrove Council	£40.00
Derby City Council	£40.00
Wiltshire Council	£40.00
South Norfolk	£39.50 - £44.50
Peterborough City Council	£39.00
Rushmoor Borough Council	£39.00
Exeter City Council	£38.00
Gloucester City Council	£36.00
Cornwall Council	£35.00
South Kesteven District	£35.00
Newark and Sherwood District Council	£30.00
Rushcliffe Borough Council	£30.00
Maldon District Council	£27 - £32
North Kesteven District	£25.00

Note:

Pricing range reflects where the council offers a variable charge.

APPENDIX B: Summary of estimated service costs

Take up	20%			30%			40%			50%		
	30%	50%	70%	30%	50%	70%	30%	50%	70%	30%	50%	70%
% of current organic waste												
Subscription	Estimated WCA service cost per annum (£'000)											
-£35.00	£396	£363	£330	£134	£101	£67	-£129	-£162	-£195	-£391	-£424	-£458
-£39.00	£336	£303	£270	£44	£11	-£23	-£249	-£282	-£315	-£541	-£574	-£608
-£40.00	£321	£288	£255	£21	-£12	-£45	-£279	-£312	-£345	-£578	-£612	-£645
-£42.00	£291	£258	£225	-£24	-£57	-£90	-£339	-£372	-£405	-£653	-£687	-£720
-£45.00	£246	£213	£180	-£91	-£124	-£158	-£429	-£462	-£495	-£766	-£799	-£833
-£50.00	£171	£138	£105	-£204	-£237	-£270	-£579	-£612	-£645	-£953	-£987	-£1,020

Notes:

Current West Suffolk service cost is £583,000 (2014/2015)

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Informal Joint Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Balanced Scorecard and Quarter 2 Performance report 2015-16	
Report No:	PAS/FH/15/030	
Report to and dates:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Steven Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: steven.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@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 second quarter of 2015-16.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to review the Council's performance using Balanced Scorecards for Quarter 2, 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 & Performance Balanced Scorecard Appendix B – Families & Communities Balanced Scorecard Appendix C – Human Resources, Legal & Democratic Balanced Scorecard Appendix D – Planning & Growth Balanced Scorecard Appendix E – Operations Balanced Scorecard Appendix F – Housing Balanced Scorecard
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1. Key issues and reasons for recommendation(s)

1.1 Performance Measures

1.1.1 Attached at **appendices A to F** are the current Balanced Scorecards (based on Head of Service area) which present Quarter 2 2015/16 performance. 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.

1.1.2 The information included in the report has been provided by Heads of Service and service managers. Most indicators report performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance. Other KPIs report a data value only (e.g. no target performance) in order to track performance over time.

1.2 Quarter 2 Performance

1.2.1 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". In the first quarter of the year, against these indicators, all services areas had 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.

1.2.2 The finance and performance team have been 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 taken place to help improve debt collection performance.

1.2.3 As a result of this, performance against both of these indicators has improved across the council. Invoices paid within 30 days has risen from 78.50% in June to 87.96% in September. Debt over 90 days has dropped from 62.53% in June to 47.25% in September. Although these figures are still not within the target range, it shows improvements are being made.

1.3 Risk Management

1.3.1 As reported in the first quarter performance report, the quarterly Strategic Risk Register has been incorporated into the Balanced Scorecard for the second quarter. Each of the individual Balanced Scorecards have details of the relevant strategic risks, and the full detailed Strategic Risk Register can be found in Report number PAS/FH/15/031.

WEST SUFFOLK - RESOURCES & PERFORMANCE BALANCED SCORECARD

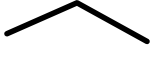

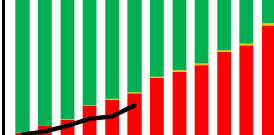
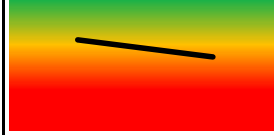
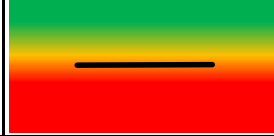
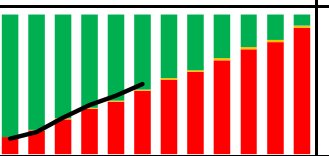
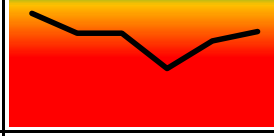
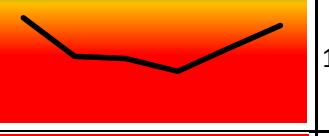
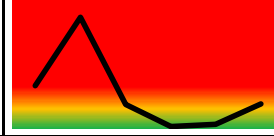
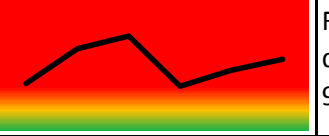
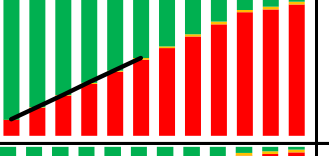
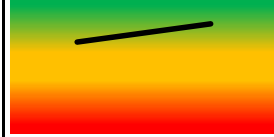
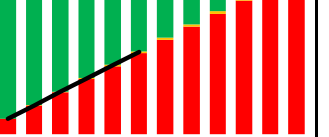
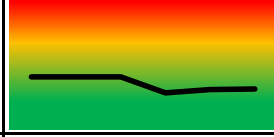
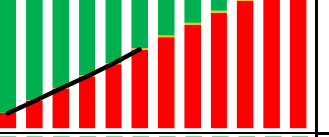

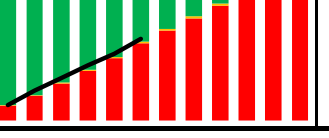
MONTH Sep 15

QUARTER Jul 15 - Sept 15

HALF YEARLY Apr 15-Sept 15

* These indicators are at organisational level

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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	£ 47,000.00	-	M	Cumulative		See budget monitoring report for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	3	No target	B	Period only		All complaints relate to ARP.
		Year end forecast variance (under) / over spend against budget - SEBC	(£58,000.00)	-	M	Cumulative		See budget monitoring report for more details.			Number of formal compliments	0	No target	B	Period only		
		Income generated from SLAs	(£116,262.64)	(£160,706.00)	M	Cumulative		ICT income relating to services provided to ARP is not yet included in these figures. Expected to be achieve income target by the end of the financial year.		Organisational year end forecast variance (under) / over spend against budget - FHDC *		-	M	Cumulative		See budget monitoring report for more details.	
		% return on the investment of reserves and balances - FHDC	1.34	1.70	Q	Cumulative		Due to higher levels of balances than anticipated, actual income received for the year to date is £22,000 higher than budget.		Organisational year end forecast variance (under) / over spend against budget - SEBC *	(£83,500.00)	-	M	Cumulative		See budget monitoring report for more details.	
	% return on the investment of reserves and balances - SEBC	0.71	0.90	Q	Cumulative		Due to higher levels of balances than anticipated, actual income received for the year to date is £48,500 higher than budget.	Total income generated by organisation £ *		(£12,614,710.64)	(£11,570,616.00)	M	Cumulative				
	FINANCE & PERFORMANCE	% of non-disputed invoices paid within 30 days	86.79	95.00	M	Period only		53 invoices processed in September.		% of total non-disputed invoices paid within 30 days *	87.96	95.00	M	Period only		1,038 invoices processed in September.	
		% of debt over 90 days old	16.68	10.00	M	Cumulative		FHDC debt £24,601.78 - 7.85% over 90 days. SEBC debt £3,877.74 - 72.66% over 90 days.		% of total debt over 90 days old *	47.25	10.00	M	Cumulative		FHDC debt £157,699.33 - 44.28% over 90 days. SEBC debt £636,287.17 - 47.99% over 90 days.	
		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	Q	Period only		This indicator is to be developed going forward, so not available for second quarter.	OUTCOMES	ARP	% Collection of Council Tax - FHDC	56.41	56.36	M	Cumulative		
	ICT	% of ICT Helpdesk calls completed 'on time' as defined in SLAs	93.25	90.00	Q	Period only					% Collection of Council Tax - SEBC	58.03	58.27	M	Cumulative		
	ARP	Days taken to process Housing Benefit new claims and changes - FHDC	5.90	12.00	M	Period only					% Collection of Business Rates - FHDC	56.06	56.93	M	Cumulative		
		Days taken to process Housing Benefit new claims and changes - SEBC	5.50	12.00	M	Period only					% Collection of Business Rates - SEBC	58.77	56.74	M	Cumulative		

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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
	WS1 A	Financial	Poor financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).	Probability - 3; Impact - 5	Probability - 2; Impact - 3	September 2015
	WS1 B	Financial	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.	Probability - 3; Impact - 4	Probability - 2; Impact - 4	September 2015
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS7	Technological / Financial / Customer	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.	Probability - 4; Impact - 4	Probability - 2; Impact - 4	September 2015
	WS7a	Technological	ICT integration	Integration of ICT across services and systems not being achieved.	Probability - 4; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS11	Economic / Financial / Competitive	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.	Probability - 4; Impact - 4	Probability - 3; Impact - 3	September 2015
	WS13	Partnership / Financial	Partner / Public Sector failure	Partners or partnerships failing; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.	Probability - 4; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015
WS18	Customer / Financial / Professional	Poor performance management	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.	Probability - 4; Impact - 4	Probability - 3; Impact - 3	September 2015	

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WEST SUFFOLK - FAMILIES & COMMUNITIES BALANCED SCORECARD

MONTH Sep 15

QUARTER Jul 15 - Sept 15

HALF YEARLY

Apr 15-Sept 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	(£4,000.00)	-	M	Cumulative		See budget monitoring report for more details.	CUSTOMERS	SATISFACTION	% Customer satisfaction with customer service - overall journey	69.00	80.00	Q	Period only	Q2 figure for Customer Services in August and September. % response that agree or strongly agree to the question, 'Overall, I was satisfied with	
		Year end forecast variance (under) / over spend against budget - SEBC	(£11,000.00)	-	M	Cumulative		See budget monitoring report for more details.			Number of formal complaints	0	No target	B	Period only		
		Income generated from SLAs	-	-	M	Cumulative					Number of formal compliments	10	No target	B	Period only		
		% of non-disputed invoices paid within 30 days	95.00	95.00	M	Period only		40 invoices processed in September		Customer service mystery shopping - average % score	0.00	90.00	Q	Period only	Not available for second quarter, working towards data being available for the third quarter.		
		% of debt over 90 days old	0.00	10.00	M	Cumulative		FHDC debt £0 - 0% over 90 days. SEBC debt £0 - 0% over 90 days.									
		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	81,010	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	92.00	80.00	M	Period only		
		Number of unique page views to the West Suffolk councils website	299,106	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	91.00	80.00	M	Period only		
		Number of online forms completed	785	No target	M	Period only		No formal target but aim to significantly increase online form use		Outcomes delivered from public health funding	0	0	Q		To be developed once funding proposals developed.		
		Number of page views to the West Suffolk intranet	208,488	No target	Q	Period only				Financial benefit of the families & communities agenda	0	0	B		This indicator is to be developed, so not available for second quarter.		
	CUSTOMER SERVICES	% of telephone calls answered	94.00	90.00	M	Period only				Reduction in fear/ perception of crime	0	0	B		This indicator is to be developed, so not available for second quarter.		
		Number of face to face contacts (not including visitor management)	14,421	No target	M	Period only											

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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
		WS2	Customer	Maintain and promote our public image, maintain effective communications	Council services and decisions being misrepresented in the media (including social media) which undermines public trust and confidence. Councils' 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.	Probability - 3; Impact - 3	Probability - 3; Impact - 2
	WS3	Customer	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.	Probability - 3; Impact - 4	Probability - 2; Impact - 4	September 2015
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 4; Impact - 5	Probability - 3; Impact - 4	September 2015
	WS8a	Political / Social	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.	Probability - 4; Impact - 5	Probability - 3; Impact - 4	September 2015
	WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015
	WS19	Economic / Social	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.	Probability - 4; Impact - 2	Probability - 2; Impact - 2	September 2015

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WEST SUFFOLK - HUMAN RESOURCES, LEGAL & DEMOCRATIC BALANCED SCORECARD



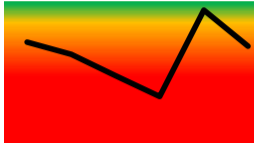
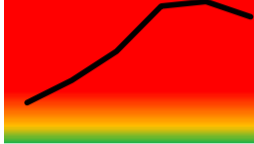
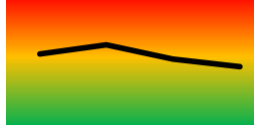

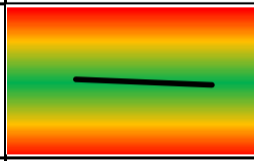

MONTH Sep 15

QUARTER Jul 15 - Sept 15

HALF YEARLY Apr 15-Sept 15

* These indicators are at organisational level

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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	£ 10,000.00	-	M	Cumulative		See budget monitoring report for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	6	No target	B	Period only		4 Elections, 2 Legal
		Year end forecast variance against budget - SEBC	£ 30,000.00	-	M	Cumulative		See budget monitoring report for more details.			Number of formal compliments	0	No target	B	Period only		
		% of non-disputed invoices paid within 30 days	87.72	95.00	M	Period only		57 invoices processed in September.		SERVICE	% on-line electoral registration *	98.00	95.00	A	Period only		
		% of debt over 90 days old	87.08	10.00	M	Cumulative		FHDC debt £2,538.28 - 100% over 90 days. SEBC debt £1,640 - 67.07% over 90 days.									
	STAFF	Average number of sick days lost per FTE per annum*	6.64	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)	27.27	35.00	Q	Period only			OUTCOMES	HUMAN RESOURCES	% Voluntary staff turnover *	9.19	7-12	Q	Period only		
		% of vacancies against establishment	5.00	10.00	Q	Period only					% 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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
	WS4	Professional	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.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015
	WS16	Legal	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data. Damage to council's reputation and individuals. Avoid legal challenge and prevent potential claims for compensation.	Probability - 4; Impact - 4	Probability - 2; Impact - 3	September 2015
	WS20	Physical	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.	Probability - 2; Impact - 5	Probability - 1; Impact - 5	September 2015

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WEST SUFFOLK - PLANNING & GROWTH BALANCED SCORECARD

MONTH Sep 15

QUARTER

Jul 15 - Sept 15

HALF YEARLY

Apr 15-Sept 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	(£9,000.00)	-	M	Cumulative		See budget monitoring report for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	11	No target	B	Period only		
		Year end forecast variance (under) / over spend against budget - SEBC	£ 265,000.00	-	M	Cumulative		See budget monitoring report for more details.			Number of formal complaints	6	No target	B	Period only		
		Spend on professional fees in relation to planning appeals	£ 32,325	£ 40,224	M	Cumulative		£28,000 relates to FHDC appeals, £4,000 relates to SEBC appeals.									
		Income received against budget	(£1,296,757)	(£1,321,818)	M	Cumulative		SEBC under achieving income by £55k. FHDC over achieving income by £33k.									
		% of non-disputed invoices paid within 30 days	94.00	95.00	M	Period only		100 invoices processed in September.									
		% of debt over 90 days old	64.26	10.00	M	Cumulative		FHDC total debt £9,650.10 - 69.52% over 90 days. SEBC total debt £13,160.74 - 60.40% over 90 days.									
		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	57.14	60.00	M	Period only		FHDC - 3 applications determined, 2 in time - 66.66%. SEBC - 4 applications determined, 2 in time - 50.00%	OUTCOMES	ECONOMIC DEV	New and existing businesses benefitting from the Council's Business Grant schemes	3	5	Q	Period only		2 grants were made by SEBC, and 1 by FHDC in this quarter. Each grant is for the amount of £1,500.
		% of minor planning applications determined within 8 weeks	74.51	65.00	M	Period only		FHDC - 14 applications determined, 11 in time - 78.57%. SEBC - 37 applications determined, 27 in time - 72.97%			ENVIRONMENTAL MGT	Renewable energy generated on Council properties (KWh)	104,583	No target	Q	Period only	
		% of other planning applications determined within 8 weeks	76.29	80.00	M	Period only		FHDC - 20 applications determined, 18 in time - 90.00%. SEBC - 77 applications determined, 56 in time - 72.77%		Number of solar PV rent-a-roof schemes delivered		1	No target	Q	Cumulative		11 schemes (6 at FHDC and 5 at SEBC) are in the pipe line and are expected to be delivered before December 2015.
	ENFORCEMENT	Number of new enforcement cases opened	37	No target	M	Period only		In September: FHDC cases opened - 23; SEBC cases opened - 14									
		Number of enforcement cases closed	42	No target	M	Period only		In September: FHDC cases closed - 19; SEBC cases closed - 23									
		Total number of enforcement cases open	292	No target	M	Period only		In September: FHDC total open cases - 91; SEBC total cases open -201									

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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS8b	Political / Social	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.	Probability - 4; Impact - 5	Probability - 3; Impact - 4	September 2015
	WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015
	WS12	Partnership	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	Probability - 3; Impact - 5	Probability - 2; Impact - 5	September 2015
	WS22	Economic / Social	Effects of the closure of RAF Mildenhall	Negative impact on the local economy, families and community or the housing market	Probability - 5; Impact - 4	Probability - 5; Impact - 2	September 2015

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WEST SUFFOLK - OPERATIONS BALANCED SCORECARD

MONTH Sep 15

QUARTER

Jul 15 - Sept 15

HALF YEARLY

Apr 15-Sept 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	(£18,000.00)	-	M	Cumulative		See budget monitoring report for more detail.	CUSTOMERS	SATISFACTION	Customer service mystery shopping - average % score	0.00	90.00	Q	Period only		Not available for second quarter, working towards having information for third quarter.	
		Year end forecast variance against budget - SEBC	(£257,000.00)	-	M	Cumulative		See budget monitoring report for more detail.			Number of formal complaints	2	No target	B	Period only			
		Income from entire property portfolio	(£2,034,366.00)	(£1,993,610.00)	M	Cumulative						Number of formal compliments	31	No target	B	Period only		7 landscapes, 17 waste, 2 commercial, 3 property, 2 parks.
		Income from waste & street scene services	(£1,802,522.35)	(£1,608,540.00)	M	Cumulative												
		% of non-disputed invoices paid within 30 days	87.39	95.00	M	Period only		674 invoices processed in September.										
		% of debt over 90 days old	47.37	10.00	M	Cumulative		FHDC debt £117,280.89- 46.92% over 90 days. SEBC debt £616,860.69 - 47.45% over 90 days.										
			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	5.76	8.25	M	Period only			OUTCOMES	WASTE MANAGEMENT	% of household waste recycled and composted	53.00	51.00	Q	Cumulative		FHDC - 49.25%; SEBC - 55.08%	
											Residual household waste per household - Kgs	222.79	240.00	Q	Cumulative			
												Cost of household waste collection	-	£ 40.00	B	Period only		To be confirmed
												% of industrial units that are vacant	5.28	8.25	M	Period only		FHDC vacancy rate - 10.77% (14 properties); SEBC vacancy rate 2.17% (5 properties).

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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
	WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015

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WEST SUFFOLK - HOUSING BALANCED SCORECARD

MONTH Sep 15

QUARTER Jul 15 - Sept 15

HALF YEARLY Apr 15-Sept 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	(£6,000.00)	-	M	Cumulative		See budget monitoring report for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	3	No target	B	Period only	
		Year end forecast variance (under) / over spend against budget - SEBC	(£52,500.00)	-	M	Cumulative		See budget monitoring report for more details.			Number of formal compliments	0	No target	B	Period only	
		DFG mandatory grants paid £	£ 285,303.00	£ 374,500.00	M	Cumulative		Full budget expected to be spent by the year end.		SERVICE	Customer Services % of answered calls - housing	93.00	90.00	M	Period only	
		% of non-disputed invoices paid within 30 days	86.32	95.00	M	Period only		95 invoices processed in September.		% Private Rented Sector properties with rent at or below the Local Housing Allowance Rate	4.00	No target	Q	Period only		
		% of debt over 90 days old	100.00	10.00	M	Cumulative		FHDC debt £3,628.28 - 100% over 90 days. SEBC debt £748.00 - 100.00% over 90 days.								
	STAFF	Cases per member of staff - Housing Options	24.00	20-30	M	Period only										
		Cases per member of staff - Housing Standards	33.40	50-60	Q	Period only		This is an average figure across the team. A total of 730 cases were received during this quarter.								
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments	
INTERNAL PROCESSES	HOUSING OPTIONS	Average time taken to make decisions on homelessness applications (days)	15	14	Q	Period only			OUTCOMES	HOUSING OPTIONS	Numbers in Bands A & B	924	1300	M	Period only	
		Additional housing units registered with WSLP	34	30	Q	Cumulative					Household numbers in B&B	2	10	M	Period only	
	STRATEGIC HOUSING	Empty properties brought back into use through Council intervention	5	5	Q	Cumulative		Whilst we will keep a running total of homes empty for 6 months or longer, this target measures specific intervention undertaken by Housing.		STRATEGIC HOUSING	Number of new affordable homes delivered available for occupation	97	97	Q	Cumulative	
		% of units that are affordable on S106 sites	25.60	30.00	Q	Cumulative		Figure below 30% due to two schemes which we accepted below 30% on viability grounds. Bury scheme approved in 2011 with 14%, and a Haverhill scheme approved in 2014 with 13%.		HOUSING STANDARDS	Private sector Properties brought up to standard	30	30	Q	Cumulative	

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

RISK	RISK ID NUMBER	Type	Title	Description - What are we trying to avoid?	WS Inherent Risk	WS Residual Risk	Last updated
	WS6 (on all scorecards)	Political	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.	Probability - 5; Impact - 4	Probability - 3; Impact - 4	September 2015
WS8c	Political / Social	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.	Probability - 5; Impact - 5	Probability - 4; Impact - 4	September 2015	
WS14 (on all scorecards)	Physical / Social / Legal	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.	Probability - 3; Impact - 4	Probability - 2; Impact - 2	September 2015	
WS21	Social / Legal	Safeguarding children and vulnerable adults	Children and vulnerable adults being treated in an improper manner and not in accordance with legislation.	Probability - 3; Impact - 4	Probability - 2; Impact - 4	September 2015	

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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 – September 2015	
Report No:	PAS/FH/15/031	
Report to and date/s:	Performance and Audit Scrutiny Committee	25 November 2015
	Cabinet (if required)	22 December 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660158 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@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 RECOMMENDED 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 November 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 September 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.

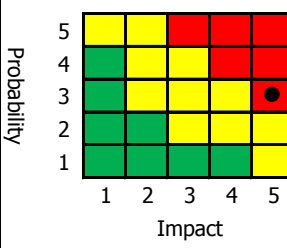
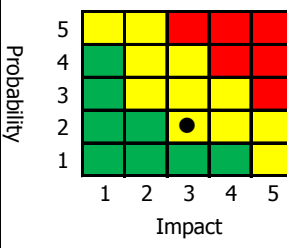
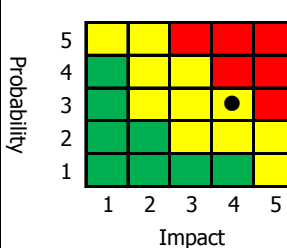
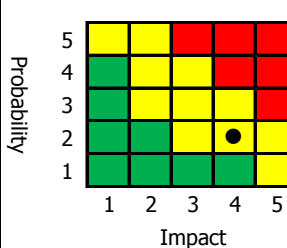
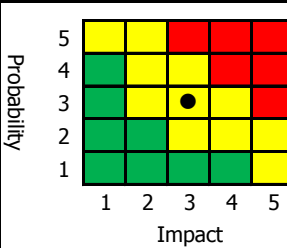
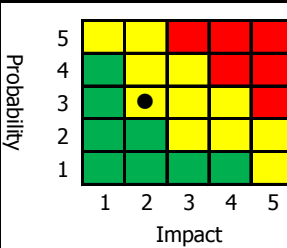
1.4 Reasons for Recommendations

- 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 2015/16 - September 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	Apr-14	On-going	
							2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Head of Resources & Performance	Apr-14	On-going	
							3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	Apr-14	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. E.g. Balanced Scorecards, PDRs, (also see WS18).	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	<p>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.</p> <p>Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority</p>		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	Sep-15	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	Sep-15	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	Sep-15	On-going	
							4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	Jun-14	On-going	
							5) Monitor Government statements on future of local government funding	LT	Jun-14	On-going	
							6) New investment proposals to be considered through the Councils governance and decision making process including challenge by the Officer programme and investment groups.	LT	Jun-14	On-going	
							7) Use of data and intelligence in forecasting future scenarios.	LT	Sep-15		
WS2	10-Jul-14	Customer	Head of Families & Communities	Maintain and promote our public image, maintain effective communications	<p>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.).</p> <p>This could also potentially impact on our ability to</p>		1) Monitor media coverage through daily media alerts and, where appropriate, provide a robust response.	Comms Team	Aug-14	On-going	
							2) Positively engage with social media to disseminate positive stories about West Suffolk and address errors or misrepresentation	Comms Team	Aug-14	On-going	
							3) Train and support staff and Members in proactive communications and dealing with media.	Comms Team	Aug-14	On-going	
							4) Deliver a communications work programme which focuses on proactive communications.	Comms Team	Aug-14	On-going	

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West Suffolk Strategic Risk Register 2015/16 - September 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
					recruit staff in competitive market.		5) Ensure that appropriate communications planning and support are identified for strategic projects. 6) Carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter.	Comms Team	Aug-14	On-going	

West Suffolk Strategic Risk Register 2015/16 - September 2015

(APPENDIX 1)

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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. 2) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels. 3) Continuing development to ensure web site remains fit for purpose. 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 Service Manager (Corporate Communications) Head of Families & Communities Head of Families & Communities, Head of Resources and	Oct-14 Jun-14 Nov-14 Jun-15	On-going On-going On-going 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 2) To review Workforce/OD Strategy to include recruitment; succession planning; talent management and pay and reward 3) Regular evaluate outcome of Performance Reviews to identify talent management to inform succession planning 4) Consistent and regular communication to staff, including opportunities for feedback. New intranet now rolled out to facilitate this objective. 5) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel; no significant issues raised. 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	HR Business Partner HR Business Partner Head of HR, Legal and Democratic Services Service Manager (Corporate Communications) Head of HR, Legal & Democratic Services / HR Business Partner Head of HR, Legal and Democratic Services	Jun-14 Jun-14 Jun-14 Jun-14 Jun-14 Jun-14	On-going On-going On-going On-going On-going On-going	
WS6	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 2) Assign dedicated corporate project resources to support new projects as they arise. 3) Review and align service and skilled resources available to the strategic plan including communicate resources. 4) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	LT LT LT Programme Manager	Jun-14 Jun-14 Jun-14 Jun-14	On-going On-going On-going On-going	

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West Suffolk Strategic Risk Register 2015/16 - September 2015

(APPENDIX 1)

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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). 2) Development and ongoing oversight of corporate project plan, to avoid concurrent demands on support services. 3) Training of all staff involved in project work in core project management skills. 4) Project support and resources to be included in further project business cases, including ICT support. 5) Early identification of Corporate capacity / priorities as part of business plan / project initiation. 6) Maintain a proactive communications strategy, including regular updates and further consultation as required, for members via the relevant portfolio holder. 7) Carry out Project Health Checks.	Programme Manager Programme Manager L&D team LT LT Head of Families & Communities LT	Jun-14 Jun-14 Jun-14 Jun-14 Jun-14 Dec-15	On-going On-going On-going 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. 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. 3) Regular review of both integration programmes through corporate projects plan. 4) Implementation of Integration Tool kit. 5) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff. No tolerance approach adopted. 6) Development of a West Suffolk Information Strategy and links to the wider public sector integration agenda (Transformation Challenge Award)	Infrastructure Support Manager Project Managers & Service Manager (ICT) Programme Manager/ LT Service Manager (ICT) Infrastructure Support Manager Service Manager (ICT)	Jun-14 Jun-14 Jun-14 Jun-14 Jun-14	On-going Mar-16 On-going On-going On-going Sep-16	
WS7b	10-Jul-14	Political Social									
WS7c	(a)		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. 2) Continue to develop the Families and Communities Officers role and new ways of working with councillors and the wider team. 3) Locality budgets available.	Service Manager (Families & Communities) Service Manager (Families & Communities) Service Manager (Families & Communities)	Oct-13 Oct-13 Oct-13	On-going On-going On-going	

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West Suffolk Strategic Risk Register 2015/16 - September 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
	(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. 4) Continue to develop close working relationships with Whitehall, Norfolk partners, Lep to influence the design of any devolution agreements and business rates retention schemes.	Head of Planning & Growth	Apr-13	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 completed September 2015, new service to be introduced Sept 2015 7) Establishment of commercial Housing Development Company in partnership with Suffolk County Council to build open market, private rented and affordable housing - Council Approved November 2015, Company incorporation January 2016, first Business and Delivery Plan February 2016.	Head of Housing	Oct-14	Apr-18	

West Suffolk Strategic Risk Register 2015/16 - September 2015

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West Suffolk Strategic Risk Register 2015/16 - September 2015

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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 (also see WS8(b) 4)	Policy Team Chief Executive and Directors LT Chief Executive and Directors	Jun-14 Jun-14 Jun-14 Jun-14	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 (actions 1 - 5 ineffective) the ED team liaises with key partners such as Job Centre Plus and West Suffolk College to mitigate the impact of downsizing/restructuring.	Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth	Jun-14 Jun-14 Jun-14 Jun-14	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) Ensure robust SLA (Service Level Agreement) & JV 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. Ensure effective engagement in the Transformation Challenge Award 4) Ensure effective engagement in the Transformation Challenge Award	All HoS All HoS All HoS CEO and LT	Jun-14 Jun-14 Jun-14 Jun-14	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.		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	Aug-14 Aug-14 Aug-14 Aug-14	On-going On-going On-going On-going	

West Suffolk Strategic Risk Register 2015/16 - September 2015

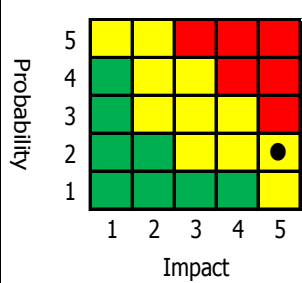
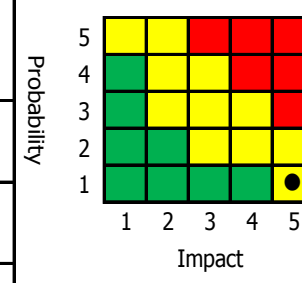
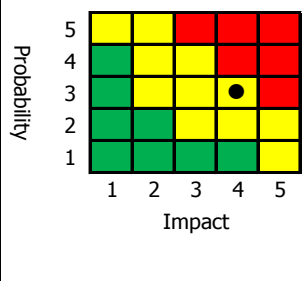
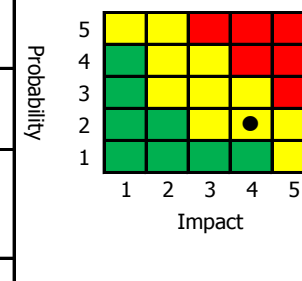
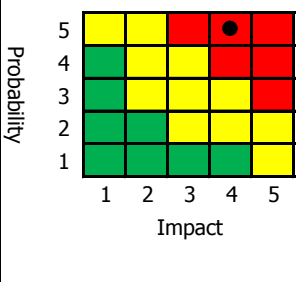
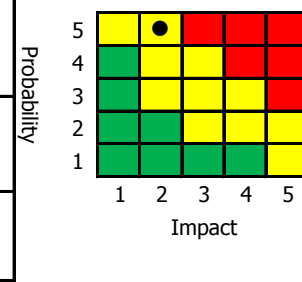
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WS16	10-Jul-14	Legal	Director	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data. Damage to council's reputation. Damage to individuals. Avoid legal challenge. Prevent potential claims for compensation.		1) Information governance group coordinates councils' approach to risks	Director	Jun-14	On-going	
							2) Records Management Working Group to coordinate councils' approach to records management	Director	Jun-14	On-going	
							3) Regular buildings checks to ensure information is held securely.	Service Manager (Internal Audit)	Jun-14	On-going	
							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.	Service Manager (Property Services)	Aug-14	Dec-15	
							5) Improve staff and member communication on good practices and data security	Service Manager (Corporate Communications)	Apr-14	On-going	
							6) Information Security e-learning - 1st phase, existing officers, completed. All new staff and members to complete module as part of induction programme.	Director	Apr-14	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	Head of Resources & Performance / R&P Business	Aug-14	On-going	
2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisers	Aug-14	On-going								
3) Strengthen the overall Performance Management Framework- review of the Balanced Scorecard as a performance management tool	Head of Resources & Performance	Apr-15	Mar-16								
4) Use PDR's to aid early identification of potential problem areas.											
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	Head of Housing/ Planning & Growth/Operations	Jun-14	On-going	
							2) Monitor, research and analysis around demographics through DCLG, ONS, LGA, LGC and other sources and share key findings with relevant services.	Policy Team	Jun-14	On-going	
							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.	Policy Team	Jun-14	On-going	

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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. 2) Well being programme in place. 3) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme. 4) Communications to staff. 5) Appropriate insurances in place and regularly reviewed. 6) Continue a programme of health and safety audits according to H&S Risk	Health & Safety Manager	Jun-14	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. 2) Safe recruitment procedures are adopted for all staff recruitment. 3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme 4) Operational links into the MASH (Multi Agency Safeguarding Hub) to be reviewed to ensure appropriate referrals are being made.	Head of Housing	Jul-09	On-going	
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 2) Co-ordinate and lead the Forest Heath member-led local Mildenhall and Lakenheath Airbases Group 3) Commission an impact study to measure the impact of the USAFE on West Suffolk and the surrounding areas 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. 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	

West Suffolk Strategic Risk Register 2015/16 - September 2015

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Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	Work Programme Update	
Report No:	PAS/FH/15/032	
Report to and date:	Performance and Audit Scrutiny Committee	25 November 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
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 – Quarter 3	Head of Resources 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)
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
Annual Governance Statement 2014-2015 Action Plan Update	Internal Audit Manager
Balanced Scorecard and Quarter 4 Performance Report 2015-16	Head of Resources and Performance
West Suffolk Strategic Risk Register – Quarter 4	Head of Resources 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
EY – Presentation of the Annual Certification Report 2014-2015	Head of Resources and Performance
EY – Presentation of the External Audit Plan and Fees 2015-2016 and 2016-2017 Indicative Fees	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
28 January 2016 (Time: 5.00pm)	
Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Balanced Scorecard Quarter 3 Report 2015-2016	Head of Resources and Performance
West Suffolk Strategic Risk Register – Quarter 3	Head of Resources 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)
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
Annual Governance Statement 2014-2015 Action Plan Update	Internal Audit Manager
Balanced Scorecard Quarter 4 Report 2015-2016	Head of Resources and Performance
West Suffolk Strategic Risk Register – Quarter 4	Head of Resources 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
EY – Presentation of the Annual Certification Report 2014-20015	Head of Resources and Performance
EY – Presentation of the External Audit Plan and Fees 2015-2016 and 2016-2017 Indicative Fees	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:	Ernst and Young Presentation of Annual Audit Letter 2014/15	
Report No:	PAS/FH/15/033	
Report to and date/s:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	To update members on the outcome of the annual audit of the 2014/15 financial statements by Ernst and Young.	
Recommendation:	Members are asked to <u>note</u> the report and Appendix 1.	
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:	• N/A	
Alternative option(s):	• N/A	
Implications:		

Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • The report and appendix include the final scale fee in respect of the 2014/15 audit of the accounts.	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
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*
None			
Ward(s) affected:		N/A	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix 1 – Annual Audit Letter (year ending 31 March 2015)	

1. Key issues and reasons for recommendation(s)

1.1 Summary and reasons for recommendation

- 1.1.1 To update members on the outcome of the annual audit of the 2014/15 financial statements by Ernst and Young (EY), our external auditors, as detailed in their Annual Audit Letter for 2014/15, attached at **Appendix 1**.
- 1.1.2 The letter is for information, and confirms the completion of the audit of the 2014/15 financial statements.
- 1.1.3 No significant issues were noted by EY and, therefore, the planned audit fee for the year remains unchanged (£62,745). Work on the certification of claims and returns is not yet complete and the final fee in relation to this work will be reported in January 2016.

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Forest Heath District Council

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP



Performance and Audit Scrutiny Committee
Forest Heath District Council
College Heath Road
Mildenhall
IP28 7EY

14 October 2015

Dear Members

Annual Audit Letter 2014/15

The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 Annual Results Report to the 24 September 2015 Performance and Audit Scrutiny Committee, representing those charged with governance.

The matters reported here are those we consider most significant for the Council.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours faithfully



Neil Harris
Executive Director
For and on behalf of Ernst & Young LLP
Enc.

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Relevant parts of the Audit Commission Act 1998 are transitionally saved by the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015 for 2014/15 audits.

The Audit Commission's 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the accountable officer of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued in March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements, and on the consistency of other information published with them
- reviewing and reporting by exception on the Council's AGS
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

Area of work	Result
Audit of the financial statement of Forest Heath District Council for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland)	On 28 September 2015 we issued an unqualified audit opinion on the Council's financial statements
Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources	On 28 September 2015 we issued an unqualified value for money conclusion
Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts	We reported our findings to the National Audit Office on 28 September 2015
Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance	No issues to report
Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit	No issues to report
Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act	No issues to report

As a result of the above we have also:

Issued a report to those charged with governance of the Council with the significant findings from our audit.

Our Audit Results Report was issued on 10 September 2015 to the Performance and Audit Scrutiny Committee

Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.

Issued on 28 September 2015

In January 2016 we will also issue a report to those charged with governance of the Council summarising the certification (of grant claims and returns) work we have undertaken.

2. Key findings

2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 28 September 2015.

Our detailed findings were reported to the 24 September 2015 Performance and Audit Scrutiny Committee.

The main issues identified as part of our audit were:

Significant risk: Risk of management override

We did not identify any material misstatements, evidence of bias or significant unusual transactions in our testing. We did not identify any expenditure which had been inappropriately capitalised.

Other financial statement risk: Business rates appeals provision

The business rates appeals provision accounted for by the Council was deemed to have been calculated on a reasonable basis in line with the requirements of IAS37.

Other financial statement risk: Group accounting standards

Our review of the group boundary did not raise any issues for the attention of Members.

Other audit risks identified from walkthrough testing: Financial statements closing procedures

Our review of journals and their supporting authorisation and documentation did not raise any issues.

Other audit risks identified from walkthrough testing: Payroll

No material issues were identified from our predictive analytical review and analytics procedures.

Other key findings:

Management have corrected all the misstatements we identified, except one brought forward from 2013/14 which was not material. None of the adjustments made impacted on the Council's useable reserves.

2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- ▶ securing financial resilience, and
- ▶ challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 28 September 2015.

Since issuing our Audit Plan on 26 March 2015, we identified a significant risk in respect of the Council's arrangements for securing financial resilience. In its medium term financial strategy (MTFS) approved by Council February 2015, the Council identified a cumulative budget gap of £1.9m over the next three years to 2017/18. The Council has a good track record of delivering savings and meeting its budget. It is acutely aware of the challenges it faces and good progress has already been made on identifying robust savings and efficiency plans to bridge the medium term budget gap. We will continue to review this area during our 2015/16 audit

2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes. We had no issues to report.

2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's Annual Governance Statement, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance. We completed this work and did not identify any areas of concern.

2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the Public.

2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

2.7 Independence

We communicated our assessment of independence to the Performance and Audit Scrutiny Committee on 24 September 2015. In our professional judgement the firm is independent and the objectivity of the audit engagement Director and audit staff has not been compromised within the meaning of regulatory and professional requirements.

2.8 Certification of grant claims and returns

We have not yet completed our work on the certification of grants and claims. We will issue the Annual Certification report for 2014/15 in January 2016.

3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Council about any significant deficiencies in internal control we find during our audit.

We had no such matters to report.

4. Looking ahead

Looking ahead there are two issues we would like to bring to your attention:

Description	Impact
<p>Highways Network Asset (formerly Transport Infrastructure Assets):</p> <p>The Invitation to Comment on the Code of Accounting Practice for 2016/17 (ITC) sets out the requirements to account for Highways Network Asset under Depreciated Replacement Cost from the existing Depreciated Historic Cost. This is to be effective from 1 April 2016.</p> <p>This requirement is not only applicable to highways authorities, but to any local government bodies that have such assets. This may be a material change of accounting policy for the Council. It could also require changes to existing asset management systems and valuation procedures.</p> <p>Nationally, latest estimates are that this will add £1,100 billion to the net worth of authorities.</p>	<p>The Council will need to demonstrate it has assessed the impact of these changes. Even though it is not a highways authority, the requirements may still impact if it is responsible for assets such as:</p> <ul style="list-style-type: none"> • Footways • Unadopted roads on industrial estates • Cycleways • Street Furniture
<p>Earlier deadline for production and audit of the financial statements from 2017/18</p> <p>The Accounts and Audit Regulations 2015 were laid before Parliament in February 2015. A key change in the regulations is that from the 2017/18 financial year the timetable for the preparation and approval of accounts will be brought forward.</p> <p>As a result, the Council will need to produce draft accounts by 31 May and these accounts will need to be audited by 31 July.</p>	<p>These changes provide challenges for both the preparers and the auditors of the financial statements.</p> <p>The Council is aware of this challenge and the need to start planning for the impact of these changes. This will necessarily include review of the processes for the production and audit of the accounts, including areas such as the production of estimates, particularly in relation to pensions and the valuation of assets, and the year-end closure processes.</p>

5. Fees

Our fee for 2014/15 is in line with the scale fee set by the Audit Commission and reported in our March 2015 Audit Plan and September 2015 Annual Results Report.

	Final fee 2014/15	Planned fee 2014/15	Scale fee 2014/15	Final fee 2013/14
Total Audit Fee – Code work	£62,745	£62,745	£62,745	£64,745
Total Audit Fee – Certification of claims and returns	See note below	£18,270	£18,270	£20,856
Home of Horseracing Trust	-	-	-	£3,345

Work on the certification of claims and returns is not yet complete. We will report our final fee for the certification work in our report to be issued by 31 January 2016.

We confirm that we have not undertaken any non-audit work outside of the Audit Commission's Audit Code requirements.

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Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Financial Performance Report (Revenue and Capital) Quarter 2 – 2015-16	
Report No:	PAS/FH/15/034	
Report to and dates:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: Stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	This report sets out the Financial Performance for the second 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 year end forecast financial position and forward any relevant issues or comments to Cabinet for their consideration.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	<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 September 2015.</p> <p>Appendix B – Revenue budget detail, for the period April to September 2015.</p> <p>Appendix C – Capital budget summary, for the period April to September 2015.</p> <p>Appendix D – Earmarked Reserves for 2015/16</p>	

1. Key issues and reasons for recommendation(s)

1.1 Key Issues

- 1.1.1 This is the second quarter financial monitoring report, which includes year end forecast 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 six months of 2015/2016 shows expenditure of £2,742,110. 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 January.

Commentary on Significant Revenue Performance Variances

- 1.3.1 Year end forecast variances over £25k are explained in the table below.

Year end forecast variance: Over / (under) spend	Explanation
(£65,000)	Higher than anticipated planning fee income.
(£40,000)	Additional income from trade waste fees and sale of scrap materials.
(£30,000)	Business rates expenditure on vacant commercial properties is less due to the lower number of vacant units.
£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.
(£34,000)	In-year savings predominately from supplies & services and increased income.

1.3 **Capital Position**

1.3.1 The Council has spent £2,742,110 of its capital budget of £14,405,247 at the 30 September 2015.

1.3.2 The table below is a high level summary of capital expenditure against budget for 2015/16, as well as the year end forecast variances. 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 Full Year Budget £000s	Spent to 30 September 2015 £000s	Year End Forecast Variance Over / (Under) £000s
Families and Communities	170	0	(152)
Housing	1,095	107	0
Resources and Performance	9,241	2,442	(600)
Planning and Growth	837	2	(91)
Operations	3,062	191	(1,668)
TOTAL	14,405	2,742	(2,511)

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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 £	Variance to Date %	Y/E Forecast Variance £
Head of Resources & Performance	1,640,519	1,351,125	(289,394)	17.64%	47,000
Head of Human Resources & Democratic Services	414,916	434,655	19,739	4.76%	10,000
Head of Families and Communities	469,159	389,919	(79,240)	16.89%	(4,000)
Head of Planning and Growth	297,863	327,966	30,103	10.11%	(9,000)
Head of Operations	743,872	685,172	(58,700)	7.89%	(18,000)
Head of Housing	293,861	279,367	(14,494)	4.93%	(6,000)
TOTALS:	3,860,190	3,468,204	(391,986)	10.15%	20,000
Interest Receivable	(189,750)	(211,538)	(21,788)	11.48%	(20,000)
Interest Payable	84,800	84,568	(232)	0.27%	0
Minimum Revenue Provision	66,445	66,445	0	0.00%	0
TOTALS:	3,670,440	3,256,666	(413,774)	11.27%	0

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Forest Heath District Council							2015/16 September 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 £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
1000	Resources & Performance	181,463	175,236	(6,227)	3.43%	0	
1090	Grants to Organisations	84,000	84,238	238	0.28%	0	
8000	General Fund Adjustments	559,634	464,475	(95,159)	17.00%	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:		825,097	723,949	(101,148)	12.26%	0	
1001	Internal Audit	41,340	28,798	(12,542)	30.34%	(14,000)	Salary underspend.
Internal Audit:		41,340	28,798	(12,542)	30.34%	(14,000)	
1002	ICT	245,981	248,310	2,329	0.95%	0	
ICT:		245,981	248,310	2,329	0.95%	0	
1010	Anglia Revenues Partnership	374,664	357,550	(17,114)	4.57%	0	Costs associated with all members of the partnership are taken into account at the year end, and recharged in accordance with the agreement. Expected to be on budget at year end.
1012	Council Tax Administration	(119,492)	(120,844)	(1,352)	1.13%	0	
1013	Business Rate Administration	(44,508)	(43,870)	638	1.43%	0	
4090	Housing Benefits	(102,872)	(323,933)	(221,061)	214.89%	0	Timing of payment of benefits against receipt of subsidy grant from Government.
Anglia Revenues Partnership:		107,792	(131,097)	(238,889)	221.62%	0	
1100	Corporate Expenditure	401,254	461,837	60,583	15.10%	61,000	£100k less income expected to be received from Flagship as part of the VAT shelter agreement. £34k in year savings to be identified corporately, predominately from supplies & services and increased income.
1150	Non-Distributed Costs	0	988	988	0.00%	0	
Corporate Expenditure:		401,254	462,825	61,571	15.34%	61,000	
1020	Emergency Planning	19,055	18,341	(714)	3.75%	0	
Emergency Planning:		19,055	18,341	(714)	3.75%	0	
TOTALS: RESOURCES & PERFORMANCE		1,640,519	1,351,126	(289,393)	17.64%	47,000	
LT02 HEAD OF HR & DEMOCRATIC SERVICES							
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
1030	Human Resources & Payroll	84,846	96,916	12,070	14.23%	0	

Forest Heath District Council							2015/16 September Budget Monitoring Report
Detail by Head of Service							Appendix B
	Human Resources:	84,846	96,916	12,070	14.23%	0	
1032	Health & Safety	26,202	26,421	219	0.84%	(5,000)	Over achievement of income against budget
	Health & Safety:	26,202	26,421	219	0.84%	(5,000)	
1031	Central Training Services	22,632	25,836	3,204	14.16%	0	
	Learning & Development:	22,632	25,836	3,204	14.16%	0	
1040	Legal Services	71,484	67,571	(3,913)	5.47%	15,000	Salary overspend.
	Legal Services:	71,484	67,571	(3,913)	5.47%	15,000	
1130	Democratic Services	50,424	46,483	(3,941)	7.82%	0	
1131	Members Allowances & Expenses	102,936	106,033	3,097	3.01%	0	
1132	Mayoralty & Civic Functions	1,500	4,081	2,581	172.07%	0	
	Democratic Services:	154,860	156,597	1,737	1.12%	0	
1041	Electoral Registration	29,940	32,214	2,274	7.60%	0	
1042	Election Expenses	24,952	29,098	4,146	16.62%	0	
	Elections:	54,892	61,312	6,420	11.70%	0	
	TOTALS: HR & DEMOCRATIC SERVICES	414,916	434,653	19,737	4.76%	10,000	
	LT03 HEAD OF FAMILIES & COMMUNITIES						
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
1140	Policy	46,034	45,128	(906)	1.97%	0	
	Policy:	46,034	45,128	(906)	1.97%	0	
1141	Communications	38,364	34,046	(4,318)	11.26%	0	
1142	Website and Intranet	15,524	14,062	(1,462)	9.42%	0	
	Communications:	53,888	48,108	(5,780)	10.73%	0	
1050	Customer Services	176,214	170,745	(5,469)	3.10%	(6,000)	Saving on annual computing maintenance costs
3100	Bus Stations	25,540	38,165	12,625	49.43%	12,000	Overspend relates to higher than budgeted business rates
	Customer Services:	201,754	208,910	7,156	3.55%	6,000	
2080	Community Development	91,936	75,163	(16,773)	18.24%	(10,000)	Salary underspend.
2081	Community Chest - Families & Communities	51,789	0	(51,789)	100.00%	0	Commissioning pot applications have just closed and grant payments have not been made. Budget expected to be spent by the end of the year.
2082	Health, Culture & Arts	20,754	9,710	(11,044)	53.21%	0	Expected to be on budget at year end.
2085	Community Centres	3,004	2,900	(104)	3.46%	0	
	Families & Communities:	167,483	87,773	(79,710)	47.59%	(10,000)	
	TOTALS: FAMILIES & COMMUNITIES	469,159	389,919	(79,240)	16.89%	(4,000)	

Forest Heath District Council		2015/16 September Budget Monitoring Report					
Detail by Head of Service		Appendix B					
LT04 HEAD OF PLANNING & GROWTH							
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
5000	Development Control	(126,365)	(129,154)	(2,789)	2.21%	(65,000)	Higher than anticipated income against budget
Development Control:		-126,365	(129,154)	(2,789)	2.21%	(65,000)	
5005	Planning Policy	223,804	236,161	12,357	5.52%	0	
5006	Local Plan	3,696	10,410	6,714	181.66%	0	
Place Shaping:		227,500	246,571	19,071	8.38%	0	
1060	Land Charges	(36,936)	(37,652)	(716)	1.94%	0	
5010	Building Control	(32,384)	680	33,064	102.10%	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	78,324	85,159	6,835	8.73%	10,000	Salary overspend.
Business (BC & Support):		9,004	48,187	39,183	435.17%	66,000	
3090	Prevention of Pollution	18,382	12,795	(5,587)	30.39%	0	
3091	Environmental Management	13,893	10,929	(2,964)	21.33%	0	
3092	Drinking Water Quality	8,130	5,163	(2,967)	36.49%	0	
3093	Climate Change	12,166	13,272	1,106	9.09%	0	
4020	Home Energy Conservation	1,956	1,175	(781)	39.93%	0	
Environment:		54,527	43,334	(11,193)	20.53%	0	
3095	Licensing	(10,110)	(28,238)	(18,128)	179.31%	0	Annual maintenance fee for computer software to be paid in second half of the year.

Forest Heath District Council							2015/16 September Budget Monitoring Report
Detail by Head of Service							Appendix B
3096	Hackney Carriage & Private Hire Licensing	(24,606)	(23,999)	607	2.47%	0	
3097	Food Safety	28,710	21,592	(7,118)	24.79%	0	
3098	Health & Safety at Work Act/Enforcement	27,558	22,354	(5,204)	18.88%	(10,000)	Salary underspend.
Business Reg & Licensing:		21,552	(8,291)	(29,843)	138.47%	(10,000)	
5020	Economic Development & Growth	86,877	110,747	23,870	27.48%	0	Invoices to be raised for contributions by third parties to studies. Will bring back to budget by year end.
5021	Strategic Tourism & Markets	18,138	10,196	(7,942)	43.79%	0	Expected to be on Budget
5024	Vibrant Town Centres	6,630	6,375	(255)	3.85%	0	
Economic Development & Growth:		111,645	127,318	15,673	14.04%	0	
TOTALS: PLANNING & GROWTH		297,863	327,965	30,102	10.11%	(9,000)	
LT05 HEAD OF OPERATIONS							
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
3006	Pool Cars	0	2,536	2,536	0.00%	0	
Fleet Management:		0	2,536	2,536	0.00%	0	
3000	Depots	218,394	208,301	(10,093)	4.62%	0	
3065	Waste & Cleansing Operatives	(79,067)	(48,763)	30,304	38.33%	20,000	Salary overspend.
6020	Markets	27,537	34,614	7,077	25.70%	15,000	Market toll fees expected to be less than budgeted.
Operational:		166,864	194,152	27,288	16.35%	35,000	
3030	Street Cleansing	218,646	212,258	(6,388)	2.92%	0	
3040	Refuse Collection (Black Bin)	176,940	174,939	(2,001)	1.13%	0	
3041	Recycling Collection (Blue Bin)	121,974	93,051	(28,923)	23.71%	0	Current variance relates to timing issue of not having received all Recycling Performance Payment money due from SCC so far this year.
3042	Compostable Collection (Brown Bin)	67,332	112,467	45,135	67.03%	0	Current variance relates to timing issue of not having received all Recycling Performance Payment money due from SCC so far this year.
3043	Bulky, Fridges, Metal & Scrap Collection	18,822	18,361	(461)	2.45%	0	
3044	Clinical & Hazardous Waste Collection	1,980	1,560	(420)	21.21%	0	
3045	Multi-Bank Recycling Sites	(14,624)	(23,603)	(8,979)	61.40%	(15,000)	Additional income from the sale of scrap materials.
3048	Trade Waste	(294,266)	(323,510)	(29,244)	9.94%	(25,000)	Additional trade waste income.
Waste - Business & Commercial		296,804	265,523	(31,281)	10.54%	(40,000)	
1080	Property Services	139,560	133,842	(5,718)	4.10%	0	Shared service recharge slightly out against budget to date.
Property Maintenance:		139,560	133,842	(5,718)	4.10%	0	
6000	Industrial & Business Units	(248,959)	(274,802)	(25,843)	10.38%	(30,000)	Due to lower number of vacant units, expenditure on vacant property business rates is less. Rental income is also predicted to be slightly higher than expected at year end.
6010	Town Centres & Shops	(306,896)	(316,944)	(10,048)	3.27%	0	

Forest Heath District Council		2015/16 September Budget Monitoring Report					
Detail by Head of Service		Appendix B					
Property Management:		(555,855)	(591,746)	(35,891)	6.46%	(30,000)	
1072	Offices: College Heath Road	(57,651)	(70,832)	(13,181)	22.86%	0	Underspends on utilities which will be paid by the year end.
1073	Offices: Brandon & Newmarket Guineas	5,072	5,034	(38)	0.75%	0	
3020	Public Conveniences	38,772	32,136	(6,636)	17.12%	0	
3025	CCTV	625	1,006	381	60.95%	0	
3026	Green Travel Plan	0	(1,423)	(1,423)	0.00%	0	
3070	District Highways Services	4,656	12,485	7,829	168.15%	0	
3072	Land Drainage & Associated Works	65,150	65,160	10	0.02%	0	
Facilities, CCTV & Highways Services:		56,624	43,566	(13,058)	23.06%	0	
1075	Courier & Postal Service	30,588	28,294	(2,294)	7.50%	0	
1076	Printing & Copying Service	13,194	21,761	8,567	64.93%	0	
Central Services:		43,782	50,055	6,273	14.33%	0	
3110	Off Street Car Parks	(94,996)	(81,642)	13,354	14.06%	0	Change in electricity supplier led to high estimated bills. Refund to be received in second half of year.
Car Parking:		(94,996)	(81,642)	13,354	14.06%	0	
2000	Leisure Services Management & Support	27,198	28,852	1,654	6.08%	0	
2017	Arboriculture (Tree Maintenance Works)	42,216	24,124	(18,092)	42.86%	0	Expected to be on budget. Current underspend relates to delay in tree works payments.
2020	Other Parks and Play Provision	138,244	144,026	5,782	4.18%	0	
2025	Children's Play Areas	21,870	16,233	(5,637)	25.78%	0	
2040	Sports & Leisure Centres	425,741	413,442	(12,299)	2.89%	0	Expected to be on budget at year end.
2083	Leisure & Sports	20,754	9,816	(10,938)	52.70%	0	Expected to be on budget at year end.
Leisure & Cultural - Parks		676,023	636,493	(39,530)	5.85%	0	
2030	Arts, Heritage & Cultural Services	5,292	5,526	234	4.42%	0	
2070	Tourist Information Centres	(1,926)	(4)	1,922	99.79%	0	
2071	Shopmobility	(750)	0	750	100.00%	0	
2095	Palace House and Stables	0	15,962	15,962	0.00%	17,000	One-off payment for business rates, which was not budgeted for. Link to Home of Horseracing Project.
Leisure & Cultural - TIC & Heritage:		2,616	21,484	18,868	721.25%	17,000	
2090	The Pavilion - Lady Wolverton Playingfield	(4,296)	(4,414)	(118)	2.75%	0	
Leisure & Cultural - Public Halls:		(4,296)	(4,414)	(118)	2.75%	0	
2010	Leisure Promotion	16,746	15,323	(1,423)	8.50%	0	
Commercial - Marketing:		16,746	15,323	(1,423)	8.50%	0	
TOTALS: OPERATIONS		743,872	685,172	(58,700)	7.89%	(18,000)	
LT06	HEAD OF HOUSING						
Cost Centre	Cost Centre Description	Budget to Date £	Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes

Forest Heath District Council							2015/16 September Budget Monitoring Report
Detail by Head of Service							Appendix B
4021	Housing Renewals	35,592	30,781	(4,811)	13.52%	0	
4031	Burial of the Dead	3,311	5,572	2,261	68.29%	0	
4032	Gypsies & Travellers	5,015	5,481	466	9.29%	0	
4033	Other Public Health Services	63,995	69,844	5,849	9.14%	(6,000)	Savings on the Dog Service contract starting in October 2015
Public Health & Housing:		107,913	111,678	3,765	3.49%	(6,000)	
4000	Housing Development & Strategy	29,538	35,937	6,399	21.66%	0	
Housing Development & Strategy:		29,538	35,937	6,399	21.66%	0	
4010	Homelessness	33,324	28,900	(4,424)	13.28%	0	
4011	Housing Advice & Choice Based Lettings	75,092	62,249	(12,843)	17.10%	0	Subscription costs to be paid in the second half of the year.
4015	Non-HRA Housing Properties	5,424	1,965	(3,459)	63.77%	0	
Housing Options:		113,840	93,114	(20,726)	18.21%	0	
4005	Housing Business & Partnerships	42,570	38,637	(3,933)	9.24%	0	
Housing Business & Partnerships:		42,570	38,637	(3,933)	9.24%	0	
TOTALS: HOUSING:		293,861	279,366	(14,495)	4.93%	(6,000)	

2015/16 Q2 Capital Budget Monitoring Report

Project Description	2014-15 Actual Spend	2015-16 Full Year Budget	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	2,442,528	0	Scheme progressing
Flagship - 3 Play Areas	125,189	16,701	5,910	0	Project complete, remaining balanced will be spent by end of financial year.
Mildenhall S Pool Fitness Project	0	10,862	0	(10,862)	Scheme complete. Remaining budget no longer needed.
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	13,919	(1,499,222)	Council report COU/FH/15/035 requested an additional £180,000 following outcome of tenders. If approved, scheme likely to start in 2016.
Omar Site - Brandon	20,538	537,500	0	0	Council report COU/FH/15/030 approved a budget of £537,500 to improve the site and secure an extended lease.
Vehicle & Plant Purchases	82,600	134,400	16,400	(118,000)	Expected vehicle & plant expenditure now forecast to take place in future years.
Playground Improvements	0	60,000	0	0	The two play areas which are scheduled to be refurbished this year are Hodgkins 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. Currently out to tender.
Historic Buildings Grant	2,380	41,540	0	0	Spend committed
Mildenhall Museum Grant	95,399	127,760	0	(127,760)	Project complete. No further spend expected.
Red Lodge Millennium Centre Improvement Grant	60,394	0	0	0	
Private Sector Disabled Facilities Grants	249,537	250,000	107,084	0	Expected to spend full budget for year.
Private Sector Renewal Grants	138,710	340,000	(92)	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. Transfer balance to Valley Way Shops scheme.
Swimming Pool Mildenhall	0	250,000	0	0	Contingency budget to deal with major plant failure.
Leisure Centre Newmarket	0	150,000	0	(150,000)	Main roof renewal, now likely to slip into 2016/17.
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	18,300	Scheme Complete
Valley Way Newmarket Shops	0	60,000	0	20,000	Spend likely to be nearer £ 80k - use under spend from Leisure Centre Brandon to cover.
Mildenhall Gym - Relocation	105,932	0	2,890	2,890	Approved at FHDC Cabinet, report CAB14/156. Funded from Invest to Save reserve. Scheme complete.
Putney Close Roofing	204,387	0	(4,238)	0	Scheme complete - waiting for retention payment
Brandon Leisure Centre PV Extension	121,032	0	750	0	Scheme Complete
Newmarket Leisure Centre PV Extension	124,060	0	1,250	0	Scheme Complete
Putney Close Solar PV Installation	83,306	5,602	0	0	
Gregory Road Solar PV Installation	0	91,000	0	(91,000)	Scheme unlikely to happen.
Guineas Car Park Energy Efficient Lighting	0	75,000	0	0	Order placed for this scheme
Hampstead Avenue Industrial Units Roofing	0	0	75,383	105,000	Funded from the sale of 17 Hampstead Avenue.
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	(100,000)	Not likely to be used until 2016/17.
Invest to Save Projects	0	500,000	0	(500,000)	Not likely to be used until 2016/17.
Rent-a-roof	0	540,000	0	0	Expecting to need additional funds for 2015/16 - will use future years allocated budgets to fund.
Shared Service - Capital Requirements					
Idox Uniform System	18,000	8,999	0	0	
Shared Financial System - Agresso	5,850	0	0	0	Phase 1 - System implementation is complete
CRM Project	49,989	41,961	0	(24,500)	Project progressing, spend profile according to Customer Access Business Case. Project on target to be completed by March 2016.
PENDING ITEMS					
Affordable Housing	0	405,000	0	0	Linked to initial feasibility works for Council owned housing company. Also to acquire some temporary accommodation properties as part of the homelessness strategy.
Mildenhall Hub	0	46,500	0	0	£2.95m of pending budget for scheme in 2016/17 financial year.
	6,426,343	14,405,247	2,742,110	(2,511,559)	

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Earmarked Reserves

2015/16 Q2 Budget Monitoring Report

Reserve Details	2015/16 Opening Balance	2015/16 Budgeted Movement	2015/16 Budgeted Closing Balance	2015/16 Current Balance	2015/16 Forecast Closing Balance	2015/16 Forecast Variance (Under) / Over spent	Notes
Strategic Priorities & MTFS Reserve	4,175,572	2,148,662	6,324,234	5,327,445	5,060,632	1,263,602	Assumed to be on track, however, potential to have some under spend on capital projects which are due to be funded from this reserve.
Invest to Save Reserve	438,263	12,409	450,672	481,704	125,672	325,000	Funding linked to invest to save projects identified in year.
Risk/Recession Reserve	552,841	(11,000)	541,841	552,841	541,841	0	
BRR Equalisation Reserve	209,852	(123,000)	86,852	209,852	28,142	58,710	Difference between Budget and NNDR1 to be financed from this reserve.
Self Insured Fund	61,069	0	61,069	61,069	85,000	(23,931)	Funding of insurance excesses
Computer & Telephone Equipment Reserve	139,111	35,000	174,111	125,208	174,111	0	
HB Equalisation Reserve	106,134	0	106,134	106,134	106,134	0	
Professional Fees Reserve	0	35,000	35,000	0	35,000	0	
Single Regeneration Board	24,000	0	24,000	24,000	24,000	0	
ARP Reserve	315,425	0	315,425	315,425	315,425	(1)	
Vehicle & Plant Renewal Fund	1	230,000	230,001	230,001	213,001	16,999	Funding of vehicle purchases
Wheeled Bins	27,398	0	27,398	27,398	27,398	0	
BR-Building Repairs Reserve - Other	225,508	0	225,508	7,179	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	57,460	98,569	0	
Public Cleansing Reserve	46,477	0	46,477	46,477	46,477	0	
Commuted Maintenance Reserve	546,069	(5,000)	541,069	546,069	463,153	77,916	Funding of annual commuted maintenance costs.
Newmarket Stallion Reserve	27,538	0	27,538	22,459	22,259	5,279	Repairs to Newmarket Stallion scheduled for September.
Teal & Woodcock Reserve	1,419	0	1,419	0	0	1,419	
Rural Sports & Recreation Reserve	49,999	0	49,999	30,981	26,172	23,827	Funding of Sports Pitch Strategy and Sport England Payment
S106 Red Lodge Community Development Officer	0	0	0	0	0	0	
ECDC/FHDC Voluntary Grants	2,514	(2,514)	0	0	0	0	
Communities against Drugs Reserve	30,000	(5,000)	25,000	30,000	20,000	5,000	To fund the night time economy in the district and domestic abuse activity.
Planning Reserve	67,800	(11,750)	56,050	110,610	55,050	1,000	
Building Regulations Charging Reserve	1	0	1	1	0	1	
Planning Delivery Grant	94,716	(16,399)	78,317	94,716	53,176	25,141	
Local Land Charges Reserve	4,466	0	4,466	4,466	0	4,466	
Planning Policy Statement Climate Change	28,293	(12,857)	15,436	15,436	15,436	0	
S106 Monitoring Officer Reserve	107,747	4,235	111,982	94,622	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	7,758	0	0	
Economic Development Reserve (LABGI)	45,824	-2,000	43,824	35,174	43,824	0	
Homelessness Legislation Reserve	127,736	(8,350)	119,386	127,736	119,386	0	
S106 Revenue Reserve	144,667	0	144,667	144,667	144,667	0	
Election Reserve	50,807	(12,716)	38,091	50,807	38,091	0	

Earmarked Reserves

2015/16 Q2 Budget Monitoring Report

Reserve Details	2015/16 Opening Balance	2015/16 Budgeted Movement	2015/16 Budgeted Closing Balance	2015/16 Current Balance	2015/16 Forecast Closing Balance	2015/16 Forecast Variance (Under) / Over spent	Notes
Staff Training Reserve	22,582	(22,582)	0	22,582	0	0	
Forest Heath Totals	7,780,155	2,224,380	10,004,535	8,910,276	7,957,616	2,046,920	

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Delivering a Sustainable Budget 2016/17 - Update	
Report No:	PAS/FH/15/035	
Report to and date/s:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	The purpose of this report is to update members on progress made towards delivering a balanced budget for 2016/17.	
Recommendation:	It is <u>RECOMMENDED</u> that, members <u>note</u> the progress made on delivering a balanced budget for 2016/17.	
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:	PAS/FH/15/025 - Delivering a sustainable Budget 2016-2017	
Alternative option(s):	Not applicable	

Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> •	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • The Local Government Finance Act 1988 (Sc 114)-requires the chief finance officer to report to councillors if there is or is likely to be an unbalanced budget.	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • To be considered as part of implementation of service changes	
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*
Savings projections are not achieved resulting in budget deficit.	Medium	Budgetary control, including reporting of variances to members. Use of general fund reserves to cover budget deficits.	Low
The business rate retention scheme under achieving the yield assumed in the MTFS.	High	Work with the Anglia Revenues Partnership team to monitor the position and deliver a realistic forecast.	Medium
Adverse Changes in the assumptions used in the MTFS resulting in a larger budget gap.	Medium	The assumptions are regularly monitored and updated. Use of general fund reserves to cover budget deficits.	Low
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		PAS/FH/15/025 – Delivering a Sustainable Budget 2016-2017	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Position at November 2015

1.1.1 Forest Heath continues to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending. In this context, and like many other councils, we have to make difficult financial decisions.

1.1.2 It is essential that the council's financial and budgetary strategies are sufficiently robust to enable it to deliver a sustainable budget position in the short and medium term. This Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget.

1.1.3 In September 2015, the Committee received report PAS/FH/15/025 - Delivering a Sustainable Budget 2016-2017 which set out the context of the 2016/17 budget, including details of savings targets, budget assumptions and known pressures for 2016/17.

1.2 Latest Budget Projections

1.2.1 **Table 1**, below sets out additional pressures and the progress made to date in achieving the 2016/17 savings target. These are now being incorporated into the budgets, over and above those items brought to members' attention in September 2015 as part of report PAS/FH/15/025.

Table 1: Further savings and budget pressures identified

Description	2016/17 £'000 Pressure / (Saving)
Remaining Budget Gap per report to PASC in September 2015 (PAS/FH/15/025)	471
<u>Budget Saving Proposals</u>	
Income generation Rent a Roof	(84)
Income generation Rental income-Omar Homes	(27)
Collection Fund improved recovery	(54)
Housing Benefit Changes	(62)
Vehicles savings including fuel	(37)

<u>Further pressures identified</u>	
Changes identified from review of Planning Income budgets	32
Reduction in Interest receipts due to revised assumptions and capital programme	7
<u>Additional Pressures mitigated</u>	
Organic waste Brown Bins	(174)
<u>Other minor changes</u>	(17)
Remaining Budget Gap	55

1.2.2 The above table shows that we currently have a small budget gap for Forest Heath District Council in 2016/17. We are confident that other proposals we are still finalising will close this.

1.2.3 The above table includes an assumption of a Council Tax freeze for 2016/17. However, this part of the budget setting process is subject to a Full Council decision on 24 February 2016.

The position is also prior to communication of the Finance Settlement announcement in December 2015 and could therefore change as a result. These figures are also subject to final calculation of the tax base.

2. Additional supporting information (if required)

2.1 None

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Title of Report:	Mid Year Treasury Management Monitoring Report 2015/16 and Investment Activity (1 April – 30 September 2015)	
Report No:	PAS/FH/15/036	
Report to and dates:	Performance and Audit Scrutiny Committee	25 November 2015
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	To present the Council's Mid Year Treasury Management Report summarising the investment activities for the period to 30 September 2015	

Recommendation:	<p>It is RECOMMENDED that,:</p> <p>(1) the Mid Year Treasury Management Monitoring Report be <u>noted</u>; and,</p> <p>(2) the Performance and Audit Scrutiny Committee makes recommendations as appropriate to Cabinet and Council regarding the approval of the Mid Year Treasury Management Monitoring Report 2015-2016, attached as Appendix 1.</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"> 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:	
<p>Are there any financial implications? If yes, please give details</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Please refer to main report
<p>Are there any staffing implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none">
<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <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"> This report is inline with the Treasury Management Practice 6, (TMP6), of the Treasury Management Code of Practice, which requires that a current year review of the Treasury Services, against adopted annual strategy, be reported to Council by 30 November each financial year. 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
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:		(Appendix 1 – 3 is one document) Appendix 1 – Treasury Management Monitoring Report Appendix 2 – Average Rate of Return Appendix 3 – Investments held as at 30 September 2015	

1. Key issues and reasons for recommendation(s)

1.1 Mid Year Report 2015/16

1.2 Interest Earned from Treasury Investments during the period 1 April to 30 September 2015

1.2.1 The table below summaries the interest earned during the period 1 April to 30 September 2015 on the various Treasury Investments held by the Council.

1.2.2

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY	
	£
CDCM/ Tradition Investments	182,931
In-House Investments	19,353
Lloyds 95 day Notice Account	5,020
Barclays FIBCA	3,926
NatWest LSA	308
TOTAL INTEREST EARNED/ACCRUED	£ 211,538

1.2.3 The budgeted income from investments for the period 1 April to 30 September 2015 was £189,750. Interest actually earned during the period totalled £211,538, an overachievement of £21,788. 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 slippage.

1.3 Investment Activity during the period 1 April to 30 September 2015

1.3.1 The table below summaries the investment activities during the period:

TREASURY MANAGEMENT – INVESTMENT ACTIVITY SUMMARY	
	£m
Opening Balance 01 April 2015	28.58
Investments made during the period (including transfers to business reserve accounts)	29.90
Sub Total	58.48
Investments realised during the period (including withdrawals from business reserve accounts)	26.27
Closing Balance 30 September 2015	32.21

1.4 **Investments held as at 30 September 2015**

1.4.1 The table below shows the investments held as at 30 September 2015;

Investments Held as at 30 September 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
Rothschild	3,000,000	2.45%	11/06/14	09/06/17
Close Bros	3,000,000	2.05%	08/01/15	09/01/17
National Counties B/Society	2,500,000	1.75%	09/02/15	09/02/17
West Bromwich B/Society	3,000,000	0.68%	01/06/15	01/12/15
Progressive B/Society	3,000,000	0.66%	16/06/15	01/12/15
Principality B/Society	2,500,000	1.02%	10/08/15	08/08/16
Nationwide B/Society	800,000	0.77%	15/06/15	07/03/16
Nationwide B/Society	1,200,000	0.71%	01/07/15	06/02/16
Nottingham B/Society	1,500,000	0.60%	17/08/15	22/12/15
Principality B/Society	500,000	0.47%	24/08/15	15/10/15
National Counties B/Society	500,000	0.68%	07/09/15	23/02/16
Principality B/Society	1,500,000	0.75%	14/09/15	21/03/16
National Counties B/Society	500,000	0.66%	14/09/15	22/02/16
Lloyds 95 Day Account	1,900,000	0.62%	Call	
Barclays FIBCA	1,815,000	0.40%	Call	
NatWest LSA	1,500,000	0.25%	Call	
TOTAL	32,215,000			

2. **Market Activities**

- 2.1.1 Given the current financial climate, 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 period and most market analysts continue to predict that this will continue throughout 2015/16 with a small staged increase not expected until 2016.
- 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 the period 1 April to 30 September 2015 totalled £84,567.67.

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 2015/16 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 period 1 April to 30 September 2015. The table below shows the temporary loans outstanding as at 30 September 2015.

Temporary Loans as at 30 September 2015			
Loan number	Interest Rate Payable	Maturity Date	Loan Amount
1557	0.5% below base rate	7 Days Notice	1,000
1727	0.5% below base rate	7 Days Notice	300
1735	0.5% below base rate	7 Days Notice	1,000
Balance outstanding as at 30 September 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
CDCM Investments	1.77%	1.78%		
In-house Investments	0.50%	0.53%		
Lloyds 95 day account	0.65%	0.60%		
NatWest LSA	0.25%	0.25%		
Barclays FIBCA	0.45%	0.45%		
7 Day Average	0.47%	0.47%		
3 year – 7 Day Average	0.48%	0.48%		
Overall Average return on Investments	1.36%	1.34%		

The interest rate forecast (average rate of return) for 2015/16 was originally set at 1.75%, this has now been revised down to 1.35%. The total interest receivable budget has however not been reduced as the Council is currently holding more funds than initially expected consequently it is envisaged that the budgeted total interest of £379,500 will be achieved.

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TREASURY MANAGEMENT MONITORING REPORT 2015/16

Introduction

1. This document outlines Treasury Management activity, during the period from 1 April to 30 September 2015 with reference to general performance, monitoring against approved strategy and compliance with the Treasury Management Code of Practice.

Base Rates and Interest Rate Trends

2. During the period 1 April to 30 September 2015 the Bank Base Rate remained unchanged at 0.50%, consequently for internally managed funds we continued to receive low interest receipts.

Borrowings

3. The Prudential Code gives local authorities more flexibility to borrow as a means of funding capital investment.
4. On the 31 March 2008 Forest Heath District Council borrowed £4.0M 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.
5. The 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.
6. The first interest payment for 2015-16, £84,567.67, was paid on 30 September 2015.

Temporary Loans

7. Temporary Loans are currently held on 7 days repayment notice, and the balance of Temporary Loans outstanding at 30 September 2015 was £2,300.
8. During the period 1 April to 30 September 2015, there were no temporary loans repaid.
9. Interest is paid half yearly on the 30 September and 31 March each year. However, due to the current economic environment and a Bank base rate of

0.50%, under the terms of the loans the Council is not required to make any interest payments at present (interest rate payable is 0.5% below base rate). All temporary loan holders have been notified of the situation and they have also been advised that there will not be any further interest payments at the end of each half year, until such time as there is an increase in the Bank base rate. They have also been given the option to request repayment of the temporary loan for investment elsewhere.

Borrowing Limits

- 10.** The borrowing limits for 2015/16 were set in accordance with the Prudential Code.

Authorised Limit	£6.67M
Operational Limit	£6.03M

These limits remain the same as in 2014/15 and were approved at Council on the 27 February 2015 (Report – COU/FH/15/003).

Investments

- 11.** A list of all investments held as at 30 September 2015 can be found in **Appendix 3 (below) – Investments Held as at 30 September 2015**

Temporary Investments (Internally Managed)

- 12.** The Council holds a balance of funds which it manages internally for day to day cash flow purposes. These temporary investments, made during the period 1 April to 30 September 2015, will result in interest earnings of £19,352.60 for the period.
- 13.** The average rate of return for Temporary Investments during this period was 0.532%, which was above the 7 day average rate by 0.06% and above the 3 year – 7 day average rate by 0.05%.
- 14.** All of the organisations used for the temporary investments during the period complied with the ratings criteria as per the Treasury Management Code of Practice.

Tradition, City Deposit Cash Managers (External Investment Fund Brokers)

- 15.** Investments made through the advice of CDCM resulted in interest earnings of £182,930.68 during the period 1 April to 30 September 2015.
- 16.** The average rate of return on the balance of investments held during the period was 1.78%, a rate of return which was above the 3 year – 7 day average rate by 1.30%.

- 17.** All organisations used by CDCM during the period 1 April – 30 September 2015, complied with the ratings criteria as per the Treasury Management Code of Practice.

Bank of Scotland Corporate Instant Access Account

- 18.** This account has not been actively used during the period covered by this report due to the interest rates offered.

NatWest Liquidity Select Account

- 19.** The NatWest Liquidity Select Account earns interest on a monthly basis which is paid directly into the account on the last working day of each month. The continuing lower base rate has seen the interest on this account reduce to 0.25% in recent months.
- 20.** The opening balance on the account at the beginning of the financial year was £1 and the closing balance as at 30 September 2015 was £1,500,000. During the period 1 April to 30 September 2015, interest earned totalled £308.22.
- 21.** The account was only used in September to hold readily available funds for an anticipated capital project.
- 22.** The average rate of return for the period 1 April to the 30 September 2015 was 0.25%, which was below the 3 year – 7 day average by 0.22% and below the 7 day average rate benchmark by 0.23%.
- 23.** This organisation complied with the Treasury Management Code of Practice during the period 1 April – 30 September 2015 with regard to the ratings criteria.

Barclays FIBCA Account

- 24.** 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 continuing low Bank base rate has seen the interest rate on this account fall to 0.45%.
- 25.** The opening balance on the account at the beginning of the financial year was £1,985,000.00 and the closing balance as at 30 September 2015 was £1,815,000.00. During the period 1 April to 30 September 2015, interest earned totalled £3,926.79.
- 26.** The average rate of return for the period 1 April to the 30 September 2015 was 0.45%, which was below the 3 year – 7 day average by 0.03% and below the 7 day average rate benchmark by 0.02%.
- 27.** This organisation complied with the Treasury Management Code of Practice during the period 1 April – 30 September 2015 with regard to the ratings criteria.

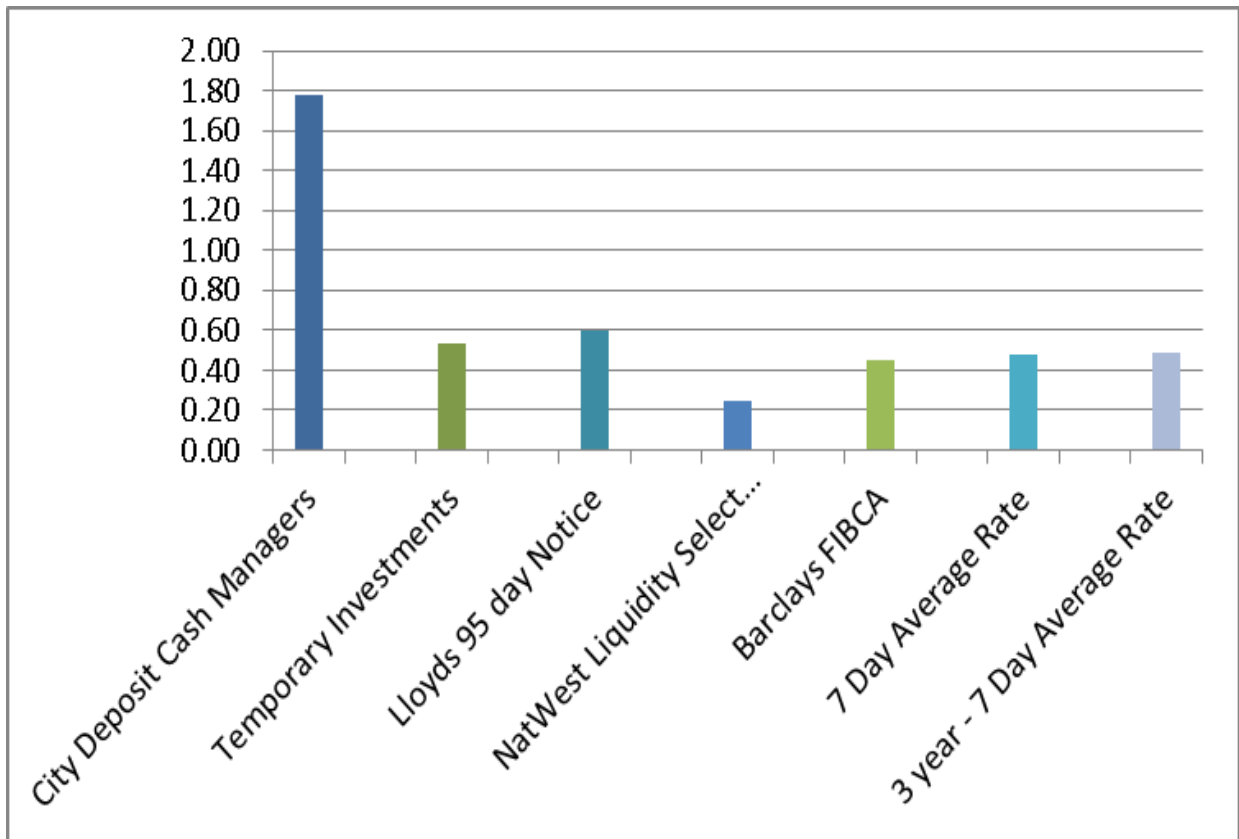
Lloyds 95 Day Account

- 28.** The Lloyds 95 Day Account continues to offer 0.62% return which is around 0.20% higher than rates currently available in the short term investment market.
- 29.** The balance at the start of the year was £1,500,000.00 with an addition £400,000.00 being added in July resulting in a closing balance of £1,900,000.00 as at 30 September 2015. During the period 1 April to 30 September 2015, interest earned totalled £5,019.85
- 30.** The average rate of return for the period 1 April to 30 September 2015 was 0.60%, which was above the 3 year – 7 day average rate by 0.12% and above the 7 day average rate by 0.13%.
- 31.** This organisation complied with the Treasury Management Code of Practice during the period 1 April – 30 September 2015 with regards to the ratings criteria.

General Performance and Compliance

- 32.** The overall rate of return on all investment categories for the period was 1.34% which is above the 3 year – 7 day average rate by 0.86% but 0.01% below our revised budgeted average rate of return for 2015/16 of 1.35%.
- 33.** However investment income for the period 1 April to 30 September 2015 is £21,793 above the original budget of £189,750k for the period. This is mainly due to larger amounts of funds being available for investment than originally predicted.
- 34.** The rate of return on each investments category for period 1 April to 30 September 2015, compared to the 7-day average rate and the 3 year – 7 day average rate, is shown in the graph illustrated in **Appendix 2 (below)**.

Average Rate of Return by Investment Category



Investments Held as at 30 September 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
Rothschild	3,000,000	2.45%	11/06/14	09/06/17
Close Bros	3,000,000	2.05%	08/01/15	09/01/17
National Counties B/Society	2,500,000	1.75%	09/02/15	09/02/17
West Bromwich B/Society	3,000,000	0.68%	01/06/15	01/12/15
Progressive B/Society	3,000,000	0.66%	16/06/15	01/12/15
Principality B/Society	2,500,000	1.02%	10/08/15	08/08/16
Nationwide B/Society	800,000	0.77%	15/06/15	07/03/16
Nationwide B/Society	1,200,000	0.71%	01/07/15	06/02/16
Nottingham B/Society	1,500,000	0.60%	17/08/15	22/12/15
Principality B/Society	500,000	0.47%	24/08/15	15/10/15
National Counties B/Society	500,000	0.68%	07/09/15	23/02/16
Principality B/Society	1,500,000	0.75%	14/09/15	21/03/16
National Counties B/Society	500,000	0.66%	14/09/15	22/02/16
Lloyds 95 Day Account	1,900,000	0.62%	Call	
Barclays FIBCA	1,815,000	0.40%	Call	
NatWest LSA	1,500,000	0.25%	Call	
TOTAL	32,215,000			