

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Notes of Informal Discussions held on Thursday 28 January 2016 at 5.00pm in the Council Chamber, District Offices, College Heath Road, Mildenhall

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton
(Chairman of the informal discussions)

Councillors Carol Bull, Barry Robbins, Peter Thompson and Patricia Warby.

Forest Heath District Council (FHDC)

Councillors Ruth Bowman, Louis Busuttil, Simon Cole, Brian Harvey, Louise Marston, Christine Mason, Colin Noble, Peter Ridgwell and Lance Stanbury.

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

FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources and Performance

FHDC – Councillor David Bowman, Portfolio Holder for Operations

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

- (1) Balanced Scorecards Quarter 3 Performance Report 2015-2016;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015;
- (3) Delivering a Sustainable Budget 2016-2017 – Procedural Update (Verbal);
- (4) Development and Implementation of the Garden Waste Collection Service; and
- (5) Work Programme Update.

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee had been invited to attend the District Offices, Mildenhall to enable joint informal discussions on the above reports to take place between the two authorities.

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

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees on items 1 – 5 above. On this occasion however, there were no questions/statements from members of the public.

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

1. **Balanced Scorecards Quarter 3 Performance Report 2015-2016**

The Business Partner (Resources and Performance) presented the report, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2015-2016 and an overview of performance against those indicators for the third quarter of 2015-2016. The six balanced scorecards (attached at Appendices A to F) were linked to the Head of Service areas, which presented the third quarter performance.

Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.

Across all service balanced scorecards, there were indicators measuring the performance of the transactional finance functions. These were "% of non-disputed invoices paid within 30 days" and "% of debt over 90 days old". In the first and second quarters of the year, against these indicators, almost all services areas had failed to meet the targets of more than 95% of non-disputed invoices paid within 30 days and less than 10% of debt over 90 days old.

The finance and performance team had been working with service areas to try and improve performance against both of these measures. As a result of this, three service areas were now achieving over 90% performance on invoices paid within 30 days, with one the these areas achieving over 98%.

Members considered the report in detail. In particular discussions were held on the planning and growth balanced scorecard (enforcement cases). Members questioned whether there were enough enforcement officers to deal with the number of open enforcement cases (262), to which officers agreed to provide a written response.

Members were please to see that the planning service had improved.

2. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015**

The Acting Head of Resources and Performance presented the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in January 2016 the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Some individual controls or actions had been updated and those which were not ongoing and had been completed by December 2015 had been removed from the Register. There had been no new risks or amendments made to any existing risks or any existing risks closed since the Strategic Risk Register was last reported to the Committee.

However, at the January 2016 meeting, the Group decided that in order to differentiate between an Action and a Control Measure, a new column would be added to the register. The new column titled "**TYPE**" contained an "**A**" denoting an action was being put in place to help mitigate the risk which should have a target completion date or a "**C**" denoting it was a control measure being implemented and therefore a completion date was not applicable.

Members considered the report and did not raise any issues.

3. **Delivering a Sustainable Budget 2016-2017 – Procedural Update (Verbal)**

The Acting Head of Resources and Performance provided a verbal update on the procedural process and the timetable for delivering a balanced budget for 2016-2017.

The update included the Government's Autumn Statement and the higher than expected reduction in Revenue Support Grant, which would be phased out by 2020, and there was no Council Tax freeze grant for the financial year 2016-2017. Following the Autumn Statement the Councils General Fund levels were reviewed, and had been brought down to policy levels.

The Section 151 Officer would be holding budget presentations to Member Groups for both St Edmundsbury and Forest Heath, and Member Groups would also be considering Council tax levels.

Detailed budget reports would be presented to Cabinet on 9 February (St Edmundsbury) and 10 February 2016 (Forest Heath) and Council on 23 February (St Edmundsbury) and 24 February 2016 (Forest Heath).

4. **Development and Implementation of the Garden Waste Collection Service**

[Councillor Lance Stanbury arrived at 5.20pm during the consideration of this item.

Councillor Brian Harvey arrived at 5.40pm during the consideration of this item

Councillor Louise Marston left the meeting at 5.50pm during the consideration of this item].

The Committee received Report No: PAS/FH/16/003, which updated Members on progress regarding the implementation of the new garden waste collection service. Following on from the discussions at the Performance and Audit Scrutiny Committee held on 25 November 2015, this report outlined the:

- Project plan key stages;
- Summarised how the new service would work;
- Subscription payment options;
- Indicative administrative costs; and
- Plans for managing unwanted brown wheeled bins.

Officers had reviewed the activities of other councils, which highlighted variations in the design and implementation of subscription charging, which was driven by key variables:

- The extent to which online application and payment systems were available and used;
- Whether the service was new or it was evolving from a "free" service;
- The availability of in-cab technology to enable operational crews to identify which residents had subscribed; and
- The preferred methods used by the council to communicate service changes and updates to residents.

The design of the service implementation in West Suffolk had taken into account the above plus the relevant experience of councils who had transitioned from a "free" service".

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

- Payment options: Officers advised that the majority of residents were happy to use direct debit or online services. However, the Portfolio Holder reassured Members that the Council would also take cash payments if a likely small number of residents were unable to pay by card as it wanted to encourage residents to subscribe to the garden waste collection scheme. Members suggested that a future report be presented to the Committee, which provided a breakdown on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.
- Communications: Officers advised that it would be made clear to residents as to what could be put into the brown bins from 4 April 2016. Letters would be sent to all households in mid February informing them of the service change and the application process. Bin Hangers and additional communications would be carried out in March ready for the new garden waste service starting on 4 April 2016.
- Fly-tipping: Members were advised that the potential for increased fly-tipping from April 2016 would be closely monitored.

- Managing unwanted brown bins: Members supported the idea of encouraging residents to keep hold of their brown bin as this would avoid significant collection costs to the Council. Residents might also change their mind and want to subscribe to the service during the main garden waste season, saving on the cost of re-delivering. However, bins abandoned on the street would be collected.

5. **Work Programme Update**

The Acting Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015-2016.

Members were advised that the scheduled meeting on 27 April 2016 had been deferred and would now be held on Wednesday 25 May 2016, at St Edmundsbury Borough Council, commencing at 5pm. The reason for the deferral was due to the April meeting being too early to present to the Committee the various end of year reports, particularly the Financial Outturn Report (Revenue and Capital) (2015-2016) report.

On the conclusion of the informal joint discussions at 5.55pm, Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee withdrew from the Council Chamber to the Training Room to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee in the Training Room at 6.00pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 28 January 2016** at **6.00pm** at the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Carol Bull
Peter Thompson

Barry Robbins

By Invitation:

Ian Houlder, Portfolio Holder for Resources and Performance

74. **Substitutions**

There were no substitutes declared.

75. **Apologies for Absence**

Apologies for absence were received from Councillors Beccy Hopfensperger, Betty McLatchy, David Nettleton, Karen Richardson and Paula Wade.

76. **Minutes**

The minutes of the meeting held on 25 November 2015, were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

77. **Public Participation**

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

78. **Balanced Scorecards Quarter 3 Performance Report 2015-2016**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/16/001.

Members had scrutinised the report and there being no decision required, the Committee **noted** the Council's performance using the Balanced Scorecards for Quarter 3, 2015-2016.

79. **West Suffolk Strategic Risk Register Quarterly Monitoring Report - December 2015**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/16/002.

Members had scrutinised and there being no decision required, the Committee **noted** the contents of the Quarter 3 West Suffolk Strategic Risk Register monitoring report.

80. **Delivering a Sustainable Budget 2016-2017 - Procedural Update (Verbal)**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered the verbal report.

Members had scrutinised the information and there being no decision required, the Committee **noted** the contents of the verbal update.

81. **Development and Implementation of the Garden Waste Collection Service**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/16/003.

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

In particular Members discussed the various payment options, and suggested that a future report be presented to the Committee, which provided a breakdown on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.

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

82. **Work Programme Update**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/16/004.

Members had scrutinised the report, and noted that the meeting scheduled for 27 April 2016 had be deferred and would now be held on Wednesday 25 May 2016, at St Edmundsbury Borough Council, commencing at 5pm.

There being no decision required, the Committee **noted** the contents of the work programme and that:

- 1) The next meeting of the Committee would be held on Wednesday 25 May 2016, and
- 2) A future report be included in its forward work programme on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.

83. **Financial Performance Report (Revenue and Capital) 2015-2016 (Quarter 3)**

The Committee received Report No: PAS/SE/16/005, which set out the financial performance for the third quarter of 2015-2016 and forecasted outturn position for 2015-2016.

The current forecast position for the Revenue Budget year end was showing an underspend of £60,500 (Appendix A and B). Members were requested to note the current position and the significant variances as outlined in paragraph 1.2.3 of the report.

In terms of the Council's Capital Finance position, the Council had spent £2,345,840 of its capital budget of £13,660,104 at 31 December 2015 (Appendix C). The table set out in paragraph 1.3.2 of the report provided a high level summary of capital expenditure against budget for 2015-2016, as well as the year end forecast variances of £5,289,000.

Finally attached at Appendix D was a summary of the earmarked reserves along with the forecast year end position for 2015-2016.

The Resources team would continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an outturn position would be presented to the Committee at the end of the financial year.

Members discussed the report in detail. In particular Members discussed the year end forecast variances over £25k relating to the Council Tax and legal court costs which now all went through the Anglia Revenue Partnership, and the Planning income underachievement. Officers assured members that the expectation for 2016-2017 was for the Planning service not to have an underachievement.

Members also discussed Appendix B (Revenue and Budget detail) relating to Building Control and the lower than anticipated income and the additional costs associated with changes in the staffing structure. Members questioned the variance in forecast and what was being done to increase future income, to which officers agreed to provide a written response.

There being no decision required, the Committee **noted** the quarter 3 financial performance report 2015-2016.

84. **Treasury Management Report 2015-2016 and Investment Activity (1 April to 31 December 2015)**

The Committee received Report No: TMS/SE/16/001, which had been considered by the Treasury Management Sub-Committee on 18 January 2016. The Business Partner (Resources and Performance) provided a verbal update on the Sub-Committee's consideration of the report, which summarised the Treasury Management activity for the first nine months of the 2015-2016 financial year.

The Sub-Committee was advised that the total amount of budget income from investments for the period 1 April to 31 December 2015 was £191,888 (average rate of return of 0.70%). Interest earned during the period totalled £290,749, an overachievement of £98,863. The overachievement was predominantly due to the higher cash balances being available for short-term investments mainly due to timing differences in the collection and payment of Council Tax, Business Rates and government grants.

The Council continued to hold its general policy objects, which was to invest surplus funds prudently, with security of its investments as its primary objective. The base rate remained at 0.5% throughout the period and most market analysts continued to predict that this would continue throughout 2015-2016 with a small staged increase not expected until 2016-2017.

The Sub-Committee had scrutinised the investment activity for 1 April to 31 December 2015, and had asked questions to which officers duly responded. In particular the Sub-Committee discussed business rates and questioned what St Edmundsbury Borough Council billed out on business rates.

The Performance and Audit Scrutiny Committee considered the report and there being no decision required, **noted** the contents of the report.

85. **Annual Treasury Management and Investment Strategy Statements 2016-2017**

The Committee received Report No: TMS/SE/16/002, which had been considered by the Treasury Management Sub-Committee on 18 January 2016.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that prior to the start of the financial year, the Council formally approved an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.

The Business Partner (Resources and Performance) provided a verbal update on the Sub-Committee's consideration of the report, which sought approval of the Annual Treasury Management and Investment Strategy Statements 2016-2017, including treasury related prudential indicators (attached as Appendix 1 to Report No: TMS/SE/16/002). No major changes had been made to the Strategy since it was presented to the Sub-Committee on 19 January 2015.

The Treasury Management Code of Practice (attached as Appendix 2) had also been updated accordingly to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2016-2017. No major changes had been made to the Code of Practice since it was presented to the Sub-Committee on 19 January 2015.

The Sub-Committee had scrutinised the content of the report, asking questions of officers who duly responded. In particular the Sub-Committee discussed the revised interest rate projections from Sector (the Council's advisors), which were based on the current economic climate.

The Performance and Audit Scrutiny Committee considered the report and asked questions to which officers duly responded.

With the vote being unanimous, it was

RECOMMENDED

That subject to the approval of Full Council:

- 1) The Annual Treasury Management and Investment Strategy Statements 2016-2017, as contained in Appendix 1 to Report No: TMS/SE/16/002, be approved.
- 2) The Treasury Management Code of Practice 2016-2017, as contained in Appendix 2 to Report No: TMS/SE/16/002, be approved.

The Meeting concluded at 6.22pm

Signed by:

Chairman
